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ABSTRACT

This report presents the views expressed at the Labor/Higher Education Council's National Meeting, the theme of which was "Education and Work: Redefinitions and New Strategies." Section 1 includes two keynote speeches: "Priorities for Economic Investment in People, Technology, and Public Works" (Ira Magaziner) and "Organized Labor's Stake in the Work-Learning Connection" (Thomas Donahue). Three presentations in section 2 focus on national education policy: "Introduction: Setting the Context" (Roscoe Brown, Jr.); "National Education Policy: Ready for Change?" (Al Shanker); and "Higher Education and Education Policy: A Response" (Hoke Smith). Section 3 explores work force retraining and government's role in that retraining in these three papers: "Introduction: The UAW (United Auto Workers) Experience with Retraining" (Owen Bieber); "Retraining: Our Means for Economic Survival" (David Gordon); and "Kenosha's Chrysler Plant: A Case Study in Higher Education Retraining" (Sheila Kaplan). Three papers in section 4 examine the future of work and national policy and emphasize changing perceptions of work: "Introduction: Are We Ready for the Work Force/Work Place Changes Ahead?" (James Appleberry); "Hong Kong and Singapore: How Much Economic Planning in This New World of Work?" (David Warsh); and "Changes in the Work Place: Our Response Is Our Future" (Jack Golodner). Section 5 discusses government's role in creating jobs and economic growth in three papers: "Introduction: Individual and Government Action" (William Lucy); "Government as a Positive Force in Job Creation" (Jeff Faux); and "The Swedish Government's Proactive Stance in Job Creation" (Alf Karlsson). Appendixes include information on the Labor/Higher Education Council and its statement on "Labor in Higher Education Governance." (YLB)

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INVESTING IN PEOPLE

Education and the Work Force

Report on the National Meeting
September 17–18, 1992
Baltimore, Maryland

LABOR/HIGHER EDUCATION COUNCIL
of the American Council on Education and the AFL/CIO

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LABOR/HIGHER EDUCATION COUNCIL
of the American Council on Education and the AFL/CIO

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PREFACE

This report presents the views expressed at the Labor/Higher Education Council's National Meeting held at the Baltimore Omni Inner Harbor Hotel, September 17–18, 1992. The meeting theme, "Education and Work: Redefinitions and New Strategies," emerged from discussions between the American Council on Education (ACE) and the AFL-CIO on the critical relationship between education and work and its impact on the nation's economic growth and prosperity.

Organized labor and higher education are ideally positioned to raise the policy issues associated with the learning-work relationship with the organizations they represent, their constituents, and the American public. The meeting format balanced presentations by labor and higher education representatives.

Formal presentations by nationally recognized experts addressed education, training, the future work place, and the appropriate role of government in developing these areas. The meeting featured a keynote presentation by Ira Magaziner, advisor to the new administration, and subsequent panels explored the issues of education policy, organized labor's stake in the education debate, the question of training and retraining our work force, the quality of our work lives in a changing work place, and the government's role in stimulating jobs and growth.

There were 62 participants. The 30 labor participants represented 18 international unions, 4 state AFL-CIO federations, and 9 AFL-CIO officials and department leaders. From academia came representatives of 18 higher education institutions and 6 ACE-affiliated associations.

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"The council believes this report can encourage the labor and higher education communities to discuss the critical issues of education and work. We also anticipate the publication will add to the state dialogues between labor and higher education, through which policy and programs can be joined on a practical level."

This report follows the chronology of the national meeting. SECTION 1 includes the presentations offered by keynote speaker Magaziner and AFL-CIO Secretary-Treasurer Thomas R. Donahue, who set the tone for the meeting and layed out some of the challenges we face.

SECTION 2 focuses on national education policy and includes presentations by Roscoe C. Brown, Jr., president of Bronx Community College, who introduced the session; Al Shanker, president of the American Federation of Teachers (AFT), who discussed school achievement and incentives for learning; and Hoke Smith, president of Towson State University, who offered some of higher education's perspectives on education policy.

SECTION 3 explores work force retraining and government's role in that retraining. Owen Bieber, president of United Auto Workers (UAW), was represented by Terry Lint, UAW's director of education. David Gordon, professor of economics at the New School for Social Research, presented a provocative model for retraining based on the successful GI Bill of the post–World War II period. Sheila Kaplan, chancellor of the University of Wisconsin–Parkside, provided useful insights on the issue by recounting the closing of the Chrysler automobile plant in Kenosha.

SECTION 4 examines the future of work and national policy and emphasizes our changing perceptions of work. Led by James B. Appleberry, president of the American Association of State Colleges and Universities, who offered his own view of the future of work in his introduction, the session included David Warsh, syndicated columnist for the *Boston Globe*, who compared national policies in Hong Kong and Singapore, and Jack Golodner, president of the AFL-CIO's Department for Professional Employees, who examined the state of labor-management relations today.

SECTION 5 concludes the report with a discussion of government's role in creating jobs and economic growth. William Lucy, international secretary-treasurer of the American Federation of State, County and Municipal Employees (AFSCME) led the session, followed by Jeff Faux, president of the Economic Policy Institute, who offered a historical perspective on government intervention in economic policy, and Alf Karlsson of the Swedish Embassy, who talked about his government's active role in Swedish economic matters.

The council believes this report can encourage the labor and higher education communities to discuss the critical issues of education and work. We also anticipate the publication will add to the state dialogues between labor and higher education, through which policy and programs can be joined on a practical level.

INTRODUCTORY REMARKS

Robert H. Atwell

Thomas R. Donahue

Robert H. Atwell
President, ACE

The Labor/Higher Education Council, which held its first meeting in 1983 at the George Meany Center for Labor Studies, is a joint venture of ACE and the AFL-CIO. These annual meetings offer a unique opportunity for the leadership in these two important sectors to meet informally, exchange ideas, and come to understand one another's thinking regarding important national issues. These exchanges have at times continued throughout the year, thanks to the relationships forged at the national gatherings and our mutual interests in national policy.

Our agendas overlap, and we have a sense of common purpose and programs. The higher education community is grateful to the AFL-CIO for joining us in this promising joint venture. We look forward to an exciting series of presentations and discussions on education and its relationship to the world of work and the policy implications that can emerge from such a dialogue.

Thomas R. Donahue
Secretary-Treasurer, AFL-CIO

For the AFL-CIO, I welcome you to this national meeting. Over the years, our meetings have generated an impressive record of cooperation and a growing recognition of the value of gathering labor and higher education leaders to talk with one another and find common ground on important issues. In recent years, the council has been effective in publishing proceedings of these meetings, in disseminating a series of insightful reports, and in initiating state dialogues and other initiatives that

encourage labor and higher education to interact on mutual interests and problems.

I'm glad to be here for what promises to be an excellent exploration of education and work, a topic close to us at the AFL-CIO.

Primo Padeletti
Secretary-Treasurer, Maryland State and District of Columbia AFL-CIO

I'm honored to bring greetings from the Maryland State and D.C. AFL-CIO and our 400,000 members, who have always supported higher education. We've initiated talks with Dr. William Kirwan, president of the University of Maryland at College Park, and with Dundalk Community College, which has a strong Labor Studies Program. The State Federation has established relationships with other higher education institutions by creating seminars, encouraging labor studies programs, and providing strategic lobbying efforts on behalf of higher education in Annapolis.

In Maryland, as in other states, we are facing major budget problems. State revenues are down and higher education has had to absorb a large portion of the $450 million shortfall this year. But we're working on restoring some of the cuts.

In Maryland and across the nation, labor has been consistently strong as an advocate for higher education. Education is vital in promoting democratic values and strengthening our communities. Higher education plays an especially important role in preparing our work force to compete within an increasingly global economy. That's why we are pleased to be meeting with you, exploring our common problems and opportunities.

Ernest R. Grecco
President, Metropolitan Baltimore Council of AFL-CIO Unions

Welcome to Baltimore. The Baltimore Central Labor Council has 210 unions in the metropolitan area, with 125,000–150,000 members. In relationship to higher education, I might mention two programs. One is a dislocated workers program that attempts to assist workers seeking counseling, interviews, and jobs. The second is a partnership with the Maryland State Department of Education, through which we receive state funds to work on the problems of workplace illiteracy. This program is in its fourth year and has been highly successful. Any city employee, for example, can enroll for 12 weeks, two days a week, two hours a day. The mayor pays for the first hour, the grant for the second. We offer child care and transportation costs.

We value our linkage with education and wish you well in your dialogue.

1. GROWING THE AMERICAN ECONOMY THROUGH EDUCATION AND JOBS

Ira Magaziner

PRIORITIES FOR ECONOMIC INVESTMENT IN PEOPLE, TECHNOLOGY, AND PUBLIC WORKS

Ira Magaziner
President, SJS, Inc.

I'd like to take a look at the American economy and share what I think needs to be done to address our economic problems. Consider our economy over the last 20 years as a backdrop for the current recession, which has not been receptive to the normal cures for a recession.

Creating Growth: Factors Other Than Productivity

Productivity improvement is the real engine of living standard growth. It allows nations to produce more with the same number of workers. But since 1973, America has been improving productivity by less than 1 percent a year. In this same period, European countries have been increasing productivity by about 3 percent a year, and the Japanese by 6 percent per year.

During the first part of this century, our productivity improved by about 3 percent a year, but during the past 20 years, we've been almost frozen in our ability to improve productivity. If we haven't been improving productivity, what have we been doing to grow the economy? Two things have driven our economic growth during this period:

1. Using Other People's Money

Particularly in the 1980s, we've simply spent other people's money. Take all the money we loaned to foreigners and the money they loaned to us. Then take the money we invested in their countries and the money they invested in the United States. Subtract it all out. The result: we have brought into the country slightly over $1 trillion net since 1980.

This money alone accounts for the cumulative, year-to-year increase in our total economy during the past decade. For example, consider a family of four in 1982, earning $20,000 a year, spending $20,000 a year, and having inherited a house. The same family spent $30,000 in 1990 (instead of $20,000); that shows economic growth. The problem is that while the family's spending rose from $20,000 to $30,000, its earnings rose from $20,000 to just $22,000. The family made up the difference first by taking a mortgage on the house and then by selling off pieces of the house. This allowed them to maintain their standard of living.

If we asked that family about what most economic statistics measure, i.e., how they are doing based on how much they are spending, the answer would be "Fine. We have $30,000 to spend every year, whereas we used to have only $20,000." But we'd get a different answer by asking a much more important question: "What are you building to leave for your children?" The answer: a huge debt! They're also selling off the house they inherited, so they can't pass it on to their children. Now, few families would do that to their children, but as a nation, that's what we've been doing. We've basically been growing our economy by spending

money we have brought in from abroad through borrowing and through selling off our assets.

2. Increasing the Available Work Force

Since 1973, we've thrown more people into our economy. In 1973, 40 percent of the American people were in the work force. By 1990, 50 percent of the American people were in the work force, yet the unemployment rate was the same as in 1973. How do we account for the differences?

First, the baby boom generation came of work force age, so we had more people seeking work. And second, we had a higher proportion of women working. More workers, more growth!

But because productivity hasn't been improving, the real average wage an American earns for an hour of work has dropped 16 percent since 1973. In fact, we've had no real wage improvement for about 34 years.

3. Maldistribution of Income

One other factor: 25 years ago, America had the fourth most equal distribution of income among the world's 22 developed countries. Just ten years ago, we were twelfth. The most recent statistics show we have the most unequal distribution of income among the world's developed nations.

Even though real wages have dropped by slightly more than 16 percent since 1973, the real wages of the top 30 percent of American income earners have actually risen by about 4 percent. But for Americans in the bottom 70 percent, real wages have decreased by more than 25 percent. For most middle class and working poor in our country, real wage declines have been dramatic.

"For most middle class and working poor in our country, real wage declines have been dramatic."

A Need to Change Direction

Productivity is stagnant, real wages have declined, our debt is increasing, and our income distribution is becoming more and more skewed. These factors herald serious problems for the 1990s. Even if it were desirable to continue to grow the economy as we have done in the past—and I would argue that it is not—such methods will no longer be possible.

First, the German and Japanese banks, among others, that have been investing money in American interests, now have other things to do with their money. The Japanese increasingly are investing in their own infrastructure development and in Southeast Asia. The Germans are investing dramatically in Eastern European reunification. At the very least, these people are going to charge more for the money they send our way. So it's going to be harder to attract foreign funds to keep our economy moving.

Second, for the first time since the immediate post–World War II era, the number of people reaching retirement age roughly equals the number coming into the work force. And the proportion of working women has begun to plateau at fairly high levels. We are just not going to be able to throw more people at the economy in order to spur growth.

I would argue that if we continue our skewed distribution of income, it's going to be difficult to maintain our social and political ideals. One of every four children is being born into poverty, up from one

of every six just 15 years ago. We have a "developing country" sitting in the midst of our developed country. That developing country, vividly displayed in Los Angeles last spring, is growing faster than the developed country, and the income disparity between the two countries is growing wider every year. It will be difficult to maintain the social and political cohesion of our nation if the gap continues to grow.

The Fallacy of Trickle-Down Economics

Starting in 1980, we had thrust upon us a simple economic theory: to encourage growth in productivity and growth in the economy, the government should cut taxes on the wealthiest Americans, who have a higher propensity to save than "average" Americans. The savings would then be converted into investments, which, in turn, would create productivity, jobs, and growth.

It hasn't worked that way. The wealthiest have simply gotten wealthier. Savings rates are down, investment rates are down, there is no economic growth, and productivity is lower than it was in the early 1980s.

Remedies to Improve Productivity

To correct this situation, America must rediscover how to improve productivity at a higher rate (3–4 percent per year instead of the current less than 1 percent per year), and make sure the fruits of any productivity improvements are spread to everyone in the economy, not just to those at the top of the income ladder.

Four steps will help us improve productivity:

1. Improve the Education and Skills of the Work Force

Most economists agree that the most important ingredient to long-term productivity is education and skills improvement. Relative to other countries, we have done a reasonably good job of educating the 25 percent of our people who graduate from four-year colleges. We have not done as well relative to other countries in educating the remaining 75 percent of the population.

In other nations, serious efforts are made to educate and continually update the skills of those who do not attend college. Here, we allow 25 percent of our young to drop out before they finish high school. Many are already on a path to dropping out before they get out of elementary school. Another 25 percent graduate from high school without learning to read or write or solve math problems above an eighth-grade level.

For the 75 percent who do not attend four-year colleges, we also do not have enough serious professional and technical programs to enable them to meet the work-world demands of the 1990s and beyond. If we are to improve productivity, that work world is going to have to be very different from the one we now know. Front-line workers are no longer going to be like machines in an industrial planning system. The days are gone when a company could increase productivity by having individual workers repeat the same tasks 800 times a day on two-minute cycles.

"If we continue our skewed distribution of income, it's going to be difficult to maintain our social and political ideals."

"We need educational standards that will enable us to exercise quality control over our education system."

We need new forms of work organization that require front-line workers to be more broadly skilled, to take more broad-based responsibility for a larger section of production, to advise on plant production, and to be thinking members of the producing organization. The old "Taylorist Model" of an industrial engineer and a manager designing simple work processes to be repeated over and over by the workers—where managers used carrots and sticks to motivate the workers—those days are over.

Unfortunately, too many of our companies still rely on those forms of work organization. But if they are going to succeed and be competitive, they must change. We need a front-line work force that is capable of doing more, and better education is the key.

Let me describe what I believe should make up a true "lifelong learning system":

A. *Investing in the Early Years.* Particularly for our disadvantaged children, starting education early with good parent education and child nutrition programs, and with fully funded Head Start programs, is essential to their development. Too many kids are lost before they ever get to school. We have to keep kids from dropping out by giving them a good start.

We know that small schools and small class sizes, parental involvement, integrated social services that support the teaching effort, and teacher "teams" are the kinds of things that work to prevent dropouts, especially in the elementary school years. Yet we don't do these things systematically. It's much cheaper to invest in early prevention than to let kids drop out and try to recover them later. So we need to invest more in the early years.

B. *Setting Educational Goals and Standards.* We need educational standards that will enable us to exercise quality control over our education system. We have to assess outcomes and establish goals to move toward a high-performance work organization in our schools. Teachers must be given greater responsibility for the day-to-day processes of education, rather than being submitted to bureaucratic micromanagement.

C. *Promoting Professional-Technical Education.* We have to institute serious professional, technical, and apprenticeship programs for those who do not choose to go to college. Other countries have a variety of such programs, and we need to establish similar training.

In Germany, for example, those aspiring to become retail workers might continue after high school for three to four years studying math, German, and computers, along with principles of retailing, inventory control, and fabrics. They probably work part time. When they graduate, they go to work for a retailer. And they continue to study as they work their way up in the retailing industry.

In Germany, Japan, Sweden, Korea, and Singapore, 70 percent of the top corporate and government managers never went to college. They participated in apprenticeship programs and worked their way up. We need to get serious about providing apprenticeship programs in a wide variety of industries for those not graduating from four-year colleges. We need to create alternative paths to success in our society.

In our country, with the exception of the unionized apprenticeship programs in construction and a few manufacturing trades, we don't have

anything like that. Only 300,000 workers out of a work force of 120 million are involved in apprenticeship programs. Their average age is late twenties, so they don't have continuity with education and work.

D. *Universal Financing of Higher/Continuing Education.* We also need a universal financing scheme to enable young people to pursue professional, technical, and apprenticeship programs, and to enable others to pursue a college education.

As deTocqueville observed early in the last century, one of the distinguishing features of our society was that people did not have to be born aristocrats to succeed. There was equality of opportunity for everyone, no matter how poor your background. Although we can point to people in poverty who still work their way up, today the deck is stacked against them. We all know of young people who, while highly qualified to go to the best universities, couldn't attend for lack of financing. If we are to maintain the upward mobility so important to our society, we have to find ways to finance all students wishing to go on to higher education, to be paid back through an income tax surcharge. We have to build on the existing Pell Grants to make higher education possible for the truly disadvantaged and for the middle class.

This kind of education financing would enable us to improve our productivity while maintaining our ideals of equality of opportunity.

E. *Investing in Adult Training Systems.* We spend $300 billion annually educating people between the ages of 6 and 21, and $30 billion annually (just 10 percent as much) educating those between 21 and 65. We must be assuming that people have learned 90 percent of what they need to know by age 21. That's simply not true.

Even worse, we also perpetuate elitism: 70 percent of what we spend on adult education and training goes to the college educated. We are again emphasizing that small group at the top of the pyramid. In the high-performance work world of the future, that's not going to bring productivity to our country.

2. Encourage Technological Development

There has never been a world economic leader that has not also been a world technology leader. In a 1979 Defense Science Board study of the 25 leading technologies to expect in the 1980s, America led the world in 22 of the 25 leading technologies. In the 1989 study, which looked ahead to the 1990s, America led the world in only eight of the leading technologies. It's not surprising.

Real R&D spending in our country has been decreasing for the last four years. It has risen throughout the decade at only one-half the European and Japanese rates. We are under-investing in our country's commercial research development.

In addition, over one-half of our total R&D budget is spent by the federal government—some $76 billion per year. Until 1980, one-half of our R&D budget went for defense, the other one-half for civilian purposes. During the 1980s, we shifted the balance to 70 percent for defense. It is time to do what our trading partners abroad do—pull some of those funds back into commercial R&D support. The debate is not ideological, i.e., whether the government should or should not be doing it. It is a political debate.

Our companies often compete with one hand tied behind their backs when it comes to long-term R&D. I've been a corporate strategy consultant for almost 20 years, and I've seen many circumstances where American companies had to compete against foreign companies receiving R&D assistance from their governments. It was almost impossible for the American companies to keep pace.

In my opinion, it is possible to have government investment in commercial R&D and still have it be key-industry-led rather than government-led development It would be disastrous to have government bureaucrats picking winners and losers among technologies. In other countries, industry sets the priorities, but independent groups—separate from government and including people from industry—perform the function of allocating government resources to R&D.

In the process, we could redirect some of the defense-oriented labs toward supporting our commercial effort. We also have to make the R&D Investment Tax Credit permanent to encourage R&D investments.

"We need to raise the nation's level of public investment in infrastructure to be competitive with other nations' infrastructure investments. We have to modernize our infrastructure so that we can enter the twenty-first century with a world-class system of transportation, communications, and environmental programs."

3. Increase Our Overall Capital Investment Level

Investment as a percentage of GNP. During the 1960s and 1970s, the average net fixed private investment rate was 8–9 percent of GNP, less than our major trading partners but still sufficient to keep our productivity moving. During the 1980s, the rate dropped to a little more than 5 percent. Over the past four years, we have been investing at a less than 3 percent rate. No economist anywhere will tell you that you can grow an economy or grow productivity if the annual net fixed private investment is less than 3 percent of the economy. Investment has decreased dramatically in America.

Declining Public Investment. We spend less than one-half the rate we did in the 1960s and 1970s on our public infrastructure. Most economists recognize that the public sector has a role to play in investing in our country's infrastructure. The payback time on private industry investment in infrastructure is too long to expect companies to do it on their own. Recall that George Washington invested in the inland waterways, Abraham Lincoln in railway building, and Dwight Eisenhower in our nation's interstate highway system.

We need to raise the nation's level of public investment in infrastructure to be competitive with other nations' infrastructure investments. We have to modernize our infrastructure so that we can enter the twenty-first century with a world-class system of transportation, communications, and environmental programs. This type of public investment can help meet two overlapping goals:

Defense Conversion: Defense workers are losing their jobs under economic conversion. Where do they go? What happens to the people who supply defense contractors? What about retail shops located near defense plants? Laying off defense workers means not only losing their skills, but also increasing the burdens on the U.S. Treasury for unemployment benefit payments. We have recommended a series of training programs to assist laid-off defense workers, along with owners and managers of defense establishments, to start new businesses. In most communities where we have conducted studies, we find that while we may be able to train these people, it will be difficult to find them jobs afterward.

Modernizing Our Infrastructure: To modernize our infrastructure, we need to invest in modern transportation systems (e.g., high-speed railways and intelligent highways). We need modern communications systems (e.g., broad-based fibers that will go to homes and offices, digitized information stocks, and digital switching for the fiber network). We need to invest in our environmental systems. The combined sewer-overflow systems of 1,100 of our cities are more than 100 years old. Rain dumps junk into waterways because storm systems are combined with sewage treatment plants and overflow. That needs correcting. More than two-thirds of our solid-waste disposal sites are going to be full within 6 to 7 years, leaching into ground water.

These problems will grow. So we need to modernize our infrastructure. But how does modernizing our infrastructure relate to defense conversion?

If we examine the skills required to build this modern infrastructure, the skill sets are similar to those held by many of the people we are laying off from our defense plants. How do we match them up to make a smooth transition?

We could take a certain amount of the funds from defense (Governor Clinton recommends about

$20 billion per year) and put it toward modernizing the infrastructure. We could then say to local municipalities, private investor groups, states, and public-private partnerships: "The federal government will back the creation of 10 high-speed rail systems, or 50 modern recycling systems. As a municipality, you can bid on these by raising some of your own funds. You will receive federal funds on a matching basis to develop these projects."

For private industry, we could say: "We are going to create a $10 billion market in rail, or a $20 billion market in recycling systems, which will be of interest to private industry." So the best thing the federal government can do for private industry regarding the infrastructure is not to direct them on what to do, but rather to help create markets to get it done. That's what works best.

There would have to be two stipulations: Local investor groups or municipalities would have first call on the user fees so the business projects can be among those that pay back. For private industry, the bids would be handled decentrally by the municipality or the private investor group to avoid federal bureaucracies choosing at the local level.

There would be two requirements for private-sector bidders: (1) demonstration of how an existing defense plant would be used in the project (by subcontracting or buying it outright and converting it); and (2) demonstration that the manufacturing project would employ at least some people currently unemployed and on welfare.

The financial returns to the federal government would be dramatic. Without these projects, the feds would be paying for welfare and unemployment insurance for large numbers of workers. And private-sector involvement would mean that we wouldn't have to depend on existing defense contractors to convert their operations into commercial businesses, which has always been a major problem in defense conversion.

There are four advantages to this approach. It would dramatically increase private as well as public investment, modernize the infrastructure, provide for a smooth defense conversion and leave fewer people jobless, and help create a new generation of U.S. manufacturing firms producing goods for markets that can then be exported.

I would also argue for an expanded, across-the-board investment tax credit for companies investing in the United States, and for capital gains tax cuts, but only for the creation and development of new businesses. This cut would stimulate private-sector investment.

4. Rethink Rewards for Work

As to the increase in the federal deficit over the past four years, three major factors appear to be busting the budget: (1) increased entitlements—3 million more people are unemployed; (2) increased entitlements—3 million more people are on welfare; and (3) a dramatic increase in health care costs, which hit hardest on the Medicare and Medicaid budgets. We can address these issues in several ways. Our society has up to now rewarded people for not working and penalized them for working. Our study of 1,000 people on welfare reached the following conclusions:

1. We couldn't find a single person who did not want to work. People on welfare don't like their

"People who work full time and play by the rules should be able to raise a family and live above the poverty level. But 20 percent of our jobs pay less than a poverty wage. In some cases, the workers can make it. But catastrophe always looms."

status or the low self-esteem that welfare promotes.

2. The vast majority of respondents had made a rational economic choice to not work. If they worked, their wages would still keep them below the poverty level, and they would lose their medical benefits and day care. It didn't make sense for them to go to work. The only way it would make sense would be to work "under the table," risking loss of their welfare payments.

We have to turn this reward system around. People who work full time and play by the rules should be able to raise a family and live above the poverty level. But 20 percent of our jobs pay less than a poverty wage. In some cases, the workers can make it. But catastrophe always looms. For many families with two full-time earners, with kids, just one event, e.g., an illness, will put them over the edge. We are sending all the wrong signals. We can't have a productive society on that basis.

We must find ways to create more jobs and establish a universal monthly (not annual) earned income tax credit. And we need a universal health care system to replace the Medicare benefits people lose when they go from welfare to work. Let's take away the disincentives for work.

Anyone can fall on hard times, as Governor Clinton has suggested, so anyone should be eligible for a short-term assistance system that would provide education, training, and child support while people get their feet on the ground. But they should not be encouraged to stay on welfare forever. This is the only way our society can set the incentives in the right direction.

National Health Care Reform

National health care reform is critical to regaining control of the national budget. It is key to taking what is an enormous tax off our businesses, consumers, and states. In our recent major study on health care, we analyzed the cost buildup in the health care system. We went into hospitals, for example, and followed nurses on their shifts to see how they used their time and how costs get built up.

From this study, we concluded that two fundamental factors have driven health care costs out of control:

1. Huge administrative costs in the system. With $800 billion in health care costs, we estimate that $80 billion is wasted in administrative costs.

2. Incentives are set in the wrong direction. Our payment schemes generally pay by the test or procedure, so health care providers have an incentive to do more tests and procedures.

Most studies estimate that some $130 billion per annum pays for unnecessary tests and procedures that are driven both by the reimbursement system and by the threat of malpractice suits. This means that $210 billion per year of an $800 billion system is waste. For example, a hospital nurse can spend 50 percent of her time filling out forms that are driven to a great extent by the Medicare and Medicaid reimbursement systems.

Every hospital has a "utilization review department" whose sole purpose is to review those pieces of paper and make sure they conform to Medicare guidelines. Then the "coding department" takes the forms and maximizes the Medicare reimbursement by developing a number of coded diagnoses to fit the prescribed treatment. We also found a "billing department" that details the bills required for Medicare, Medicaid, and 15 different insurance companies (each has its own format).

If a hospital is billing Medicare or Medicaid, two separate bills are necessary. One goes to a "fiscal intermediary," a contractor of the Health Care Financing Administration (HCFA), which reviews bills for accuracy. The Fiscal Intermediary invariably kicks back about 5 percent of the bills to justify its existence. The bill then goes through a "dispute mechanism" and is eventually passed on to an HCFA Regional Office and then to the national office for review and payment.

Some bills wind up in a "Peer Review Organization" (PPO), which must judge the quality of care appropriate before the bill can be paid. There is even a "Super PPO" in California, contracted by the HCFA, which determines whether the PPO has done its job. They also kick back a certain percentage of forms.

Unfortunately, we found thousands of examples of how we've created a huge bureaucracy in the health care institutions themselves, but you can find the same situation in your local doctor's office. For example, the real take-home pay of doctors has not gone up in ten years, yet the amount we pay doctors has increased dramatically. The discrepancy lies is in the structure of a doctor's office. Ten years ago,

25 percent of a doctor's revenue went to administrative staff. Today, that figure is 50 percent.

Finding a solution to the health care crisis requires:

- Getting rid of the micromanagement of both the reimbursement system and the quality of care in Medicare and Medicaid. These costs are driving costs up throughout the system.

- Getting rid of insurance companies that only insure healthy people, an underwriting process that eats up $30 billion a year.

- Reversing the incentives by having some national guarantee on benefit levels that will be provided, and a state-by-state cap on health care costs and premiums for that health care benefit package.

We're basically in favor of a privately run system that offers a choice of doctors and hospitals, but we advocate a capitation per person formula based on criteria for benefits. The insurers would have to compete within that formula. This would eliminate microregulation and minimize administrative costs. We also have to ensure that the insurance networks cover everyone, regardless of prior condition.

These measures would offer the advantages of competition, put the incentives in the right direction, and eventually get health care costs under control. Otherwise, we cannot improve productivity.

Wrapping up

A national agenda that focuses on skills development, on technological development, on increasing investment, on incentives to work, and on controlling health care costs is necessary to get our economy moving. If we don't address these issues head-on, it will be difficult to reverse the structural problems. We need new ideas.

Aristotle said the difference between a barbaric culture and a civilization is that the barbaric culture works day to day, week to week, plundering, consuming, and plundering. A civilization, on the other hand, conducts its economic activities to build for the next generation and pays back its parents by doing more for its children. A civilization will always beat a barbaric culture because it is building for the next generation.

Since our founding, ten generations of Americans have fulfilled the requirements of a civilization, leaving their children more than what they inherited. Ours is the first generation in danger of doing the opposite. In the 1980s, we accumulated a huge debt, sold off our assets, and avoided giving our children the skills, the technological base, and the infrastructure necessary for a world-leading economy in the twenty-first century.

I don't think we want that to be our legacy. We're in for a period of bold change and opportunity that will determine whether we can fulfill the requirements of a civilization.

"National health care reform is critical to regaining control of the national budget. It is key to taking what is an enormous tax off our businesses, consumers, and states."

Thomas R. Donahue

ORGANIZED LABOR'S STAKE IN THE WORK-LEARNING CONNECTION

Thomas R. Donahue
Secretary-Treasurer, AFL-CIO

I always enjoy attending the council's meetings, but this year's national meeting is especially important. We have arrived. We've hit the big time. Our topic, "Education and Work," seems to be on everyone's political and economic agenda.

Some years ago, almost no one paid attention to the connection between education and the work place. But it's been a concern of trade unionists for a long time, and now nearly everyone has come around.

Still, we should be a little cautious. When everyone agrees on an issue, the discussion can get mushy. For example, we hear from the Bush administration a new proposal for federal job-training programs complete with vouchers and vague promises, but the funding remains a dark secret. This conference can bring clarity and focus to the issue, define language, and talk about where we want to go and how we get from here to there.

Education and Training as Investment

More and more, we are finding that people understand education and job training as prudent and necessary investments, not as charity for welfare mothers and dislocated workers. In addition, most people understand that this is a different kind of investment from Treasury bonds or pork-belly futures. The most significant difference is that this is an investment in people, and the investing must be a joint project of government, management, labor, and the education community—from Head Start classrooms to the groves of academe.

In what glib rhetoricians love to describe as a "global economy," most investments are organized so that they can zip along from continent to continent with a couple of strokes on a computer keyboard. Not only money, but plants, information, and certainly corporate logos and national allegiances are footloose, as Robert Reich points out. The vice president of Colgate-Palmolive noted that "no single nation has a special call on our resources." So a factory can be in Ohio today, Mexico next summer, and Thailand the year after that. Delco's plant in Kokomo now employs only 700 to 800 workers because Delco in Matamoros employs 4,200.

Two investments that are far more likely to stay right here in the long term and benefit our people are infrastructure and the education, training, and retraining of working people. That's our context. That's why we take the work-learning connection seriously.

The Role of Trade Unions

In all of the discussion about training and skills upgrading, few commentators think about the role of trade unions. Fortunately, there are exceptions to that rule, but reading the literature gives one the impression that trade unions are either an obstacle to job training, or else a sort of window dressing. Nothing could be further from the truth.

Trade unions—from the time of the guild to today—have been concerned with training and upgrading skills and with maintaining a high level of craftsmanship. Our unions are involved in helping

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their members upgrade their skills. This is usually organized in cooperation with management, and we're doing it in a wide variety of ways and across a wide range of individuals and occupations.

We've demonstrated over and over that apprenticeship training, together with union representation, improves workers' wages, productivity, flexibility, and employment opportunities. There have been some bumps along the road with respect to productivity and flexibility when workers have been frightened about job security or employment prospects, but those are exceptions in the overall scheme.

Clearly the biggest success story in job training for American workers is the apprenticeship programs in the building, machinist, and printing trades, which employ some 300,000 apprentices nationwide. In 1986, apprentice-trained workers had a labor-force participation rate of 94 percent, the highest for any work-based learning group. What's more, these apprenticeship programs have been the ladder to the middle class for tens of thousands of minority youths over the past 30 or more years. Minorities make up about 12 percent of the work force, but they make up 20 percent of the young workers in apprenticeable trades.

But apprenticeship isn't the only form of job training in which trade unions are heavily involved. Different industries call for different approaches, and our unions have been sensitive to that fact. Thus, we find the Communications Workers and the International Brotherhood of Electrical Workers negotiating education and training benefits with AT&T, some of Bell's giant regional operating companies, such as Nynex and BellSouth, and other communications companies.

The United Steelworkers have set up joint training programs for displaced workers. The United Auto Workers have established programs with Ford, Chrysler, and GM that offer job training, tuition, skills enhancement, and personal development.

The American Society for Training and Development said in a recent report that "unions are becoming leaders in providing career-related training to individual employees." The report noted that training programs jointly administered by unions and management now spend more than $300 million per year, representing "the fastest-growing segment in the nation's learning system."

It makes sense. Time after time, in one industry after another, we find that job training and skills upgrading are more successful and run more smoothly in those industries and services that are unionized. In the vast majority of those cases, the programs were created in the collective bargaining process, and the unions help run them.

There are good reasons they succeed. Consider the incentives. Many companies want a highly trained work force, but few are eager to pay for it. Also, the vast majority of non-union companies do nothing to upgrade the skills of their employees on the middle and bottom rungs of the corporate ladder. Left to their own devices, according to former Secretary of Labor Ray Marshall, corporate training programs are generally narrow, fragmented, and cheap. The majority of training is for managers and highly skilled technicians, not for front-line workers.

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Job training and skills upgrading are a public good, but in a non-union environment, the economic incentives are far too weak to help meet that need. The situation can be different when the unions are a major player. We can create the right incentives for employers. When we win higher wages and benefits at the bargaining table, when we obtain more job security for our members, and when we win those victories across an entire industry, then employers have more incentive to value their employees, make a long-term commitment to them, justify their high wages, and give employees the training they need to be more productive.

In contrast, the unorganized low-wage work place is the least productive because the employer doesn't have the same incentive or need to be efficient. It is the organized work place that is most efficient and productive. In the end, the entire industry, the workers, the consumers, and the economy all benefit. It certainly has been true in other countries. These days, it is such an apparent truth that we can speak in shorthand of "the German Model" or "the Swedish Model" for linking education and work.

Union-Negotiated Training Models

It used to be fair to question whether we should negotiate for dollars for training. It always seemed to me that we should not have to forgo wages for that purpose. Rather, the boss ought to pay, and society ought to pay.

But that philosophical issue is behind us. It has been shouldered aside by the pragmatic need to do something to make our employees pay attention to training and retraining in an effort to maintain some degree of job security. So we have negotiated training and retraining benefits.

That is not the solution, however, when we are dealing with small employers or in low-wage industries where employees cannot afford to forgo wages. Nor is it the case in those industries in which the organized section is only a small fragment of the industry. There, we have to rely on government funding of training.

Government Support for Training

I believe Governor Clinton's suggestion of a required level of spending on training—1.5 percent of payroll—is a sound idea. It will need a lot of tailoring, but it will focus the nation's attention on the subject.

A related question is what mix of employer contributions and government contributions should be used. Employers have a right to expect an education system that gives them a worker with a good basic education and perhaps some skill level. But there is a lot of job training that is really employer specific or job specific, and I have reservations about letting employers off-load much of that onto the education system or the government.

I echo Ira Magaziner's observation that it is not enough just to train and empower workers. We must also reform the work process.

When they face that hurdle, companies tend to behave in one of several ways. Some flinch. An example of this is Mountain Bell, after the Commu-

nications Workers won a contract with generous training provisions and tuition reimbursement. A third of the work force was retrained, but the company couldn't bring itself to take advantage of the new opportunity for productivity because the company couldn't give up control.

On the other hand, employers in organized shops sometimes seek and achieve true participation of the unions in decision making. In unorganized shops, they install a whole new layer of facilitators, group leaders, and human resource types, watering down the productivity gains. They keep control while giving the impression of more worker involvement in decision making. Those are the actions we can usually expect from management.

As for the government's role, I could give another whole speech on the need for government stimulus and support for job training programs, and the need for labor, management, and the education community to participate with government in shaping those programs.

Job Creation as the Key

Amid all the talk of training, empowerment, increasing productivity, and increasing competitiveness, the *sine qua non* is the creation of decent jobs. Without those jobs, we'll simply have a better trained cadre of unemployed workers.

All of the training in the world isn't enough to make the economy right. We also need a coherent industrial policy, deficit reduction, trade policy, tax reform, infrastructure repair, health care cost containment, and much more. A better work force is an important part of a larger package, no more and no less.

So the current question is: How many jobs are actually out there now that could be filled by workers if they had more training? That is not easy to answer. America's managers have settled into a low-skill, low-wage equilibrium. They are comfortable with shipping jobs offshore or, to use two fashionable phrases, with "engaging in co-production strategies" or "integrating production strategies." Change will not come from them. It will come from the rest of us.

There is no silver bullet in our arsenal. No one has a perfect piece of legislation or a six-step plan that will set things right in 500 days. If we are to be successful, our agenda will have to be broader and more complex than that. We will have to work to alter the entire ecosystem of the American work place. All of our experience tells us that the work place where women and men get the training they need is also where they have decent wages, good benefits, job security, dignity, and a strong system of collective bargaining. Each of those elements is closely linked to all of the others.

The day we succeed at one of them will be the day we succeed at all of them. And that won't come about without a strong partnership between the academic community and the trade union movement. It is our hope that this meeting and more like it will continue to help us forge that partnership and find our respective roles and respective benefits.

"All of our experience tells us that the work place where women and men get the training they need is also where they have decent wages, good benefits, job security, dignity, and a strong system of collective bargaining. Each of those elements is closely linked to all of the others."

AT THE MEETING . . .

CLOCKWISE FROM TOP: John Burton; *(left to right)* Jack Golodner, Len Oliver, David Warsh, and James Appleberry; Norm Hill; *(left to right)* Dave Merkowitz, Jane McDonald-Pines, Keir Jorgensen, Anne Green, and Rudy Oswald; Edward Cleary; Dorothy Shields.

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CLOCKWISE FROM TOP:*(left to right)* John Burton, Robert Silvestre, Jeff Faux, and David Warsh; Perry Robinson, Robert Pleasure, and Lenore Miller; Kathy Schrier; John M. Kingsmore and Judith Eaton.

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2. RETHINKING EDUCATION POLICY: WHO ARE WE EDUCATING? WHAT ARE THE INCENTIVES FOR LEARNING?

Roscoe C. Brown, Jr.

Al Shanker

INTRODUCTION: SETTING THE CONTEXT

Roscoe C. Brown, Jr.
President, Bronx Community College

Ira Magaziner talked about change and challenge. That's what we are talking about in this session on education policy: change in our society, change in our population, change in our work places, and change in our education system. Change and the challenges it brings.

At Bronx Community College, we have dozens of programs with business and labor and with our community. We serve 8,000 students in our classes and another 20,000 annually in our community.

I remember going to a meeting on 39th Street. I saw all of these folks coming out of the subway—blacks, Hispanics, Asians, women, and a few whites—all going to work in downtown Manhattan. And nine out of ten were people of color.

How our world has changed! I ask myself, has my institution changed? Do we participate enough in the work environment? Do we do enough teaching? Do we do enough collective planning? Are employers ready to take our students?

We have two presenters with us, both prototypical of leaders in labor and higher education, who will be responding to these types of questions.

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NATIONAL EDUCATION POLICY: READY FOR CHANGE?

Al Shanker
President, American Federation of Teachers (AFT)

We need to start with a picture of what is happening in K–12 education. The best way to get that picture is to examine some charts that show what youngsters graduating from high school know. A recent national assessment has given us charts on math, but almost every other subject—reading, science—follows approximately the same distribution.

Average Student Proficiencies: Public School-Private School Comparisons

Chart 1 shows student math proficiency at different grades. The tests were given to kids in grades 4, 8, and 12. What is missing is kids who have dropped out, so by age 18, 25 percent of the kids are not there.

Look at grade 12. The levels represent those functioning at the third-grade level (200), fifth-grade level (250), seventh-grade level (300), and high school–college level (350). The last column shows that 100 percent of those who stayed in school until age 18 were able to handle simple math, with 91 percent able to handle fifth-grade math (multiplication and division).

So the investment of the "back to basics" movement, of drilling kids on simple things, has worked. What hasn't worked as well is learning more than basics—reasoning and problem-solving

Chart 1

Overall Average Proficiency and Percentage of Students At or Above Four Anchor Levels on the NAEP Mathematics Scale at Grades 4, 8, and 12

		Grade 4	Grade 8	Grade 12
Average Proficiency		216 (0.7)	265 (1.0)	295 (1.1)
Level	**Description**	**Percentage of Students At or Above**		
200	Simple Additive Reasoning and Problem Solving with Whole Numbers	72 (1.1)	98 (0.4)	100 (0.0)
250	Simple Multiplicative Reasoning and Two-Step Problem Solving	11 (0.6)	67 (1.1)	91 (0.6)
300	Reasoning and Problem Solving Involving Fractions, Decimals, Percents, Elementary Geometry, and Simple Algebra	0 (0.0)	14 (1.1)	46 (1.4)
350	Reasoning and Problem Solving Involving Geometry, Algebra, and Beginning Statistics and Probability	0 (0.0)	0 (0.1)	5 (0.6)

The standard errors of the estimated percentages and proficiencies appear in parentheses. It can be said with 95 percent certainty that for each population of interest, the value for the whole population is within plus or minus two standard errors of the estimate for the sample. When the proportion of students is either 0 percent or 100 percent, the standard error is inestimable. Although no fourth-grade students achieved at or above Level 300, a few eighth-grade students (0.3 percent) did perform at or above Level 350. However, percentages less than 0.5 percent are rounded to 0 percent.

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(300 and 350 levels). Of those students graduating, only 46 percent could handle seventh-grade-level math, and only 5 percent had really learned high school math and could handle college-level math. Remember, that is only 5 percent of the 75 percent still in school, so in reality, only 3.5 percent of the total cohort was able to handle this level.

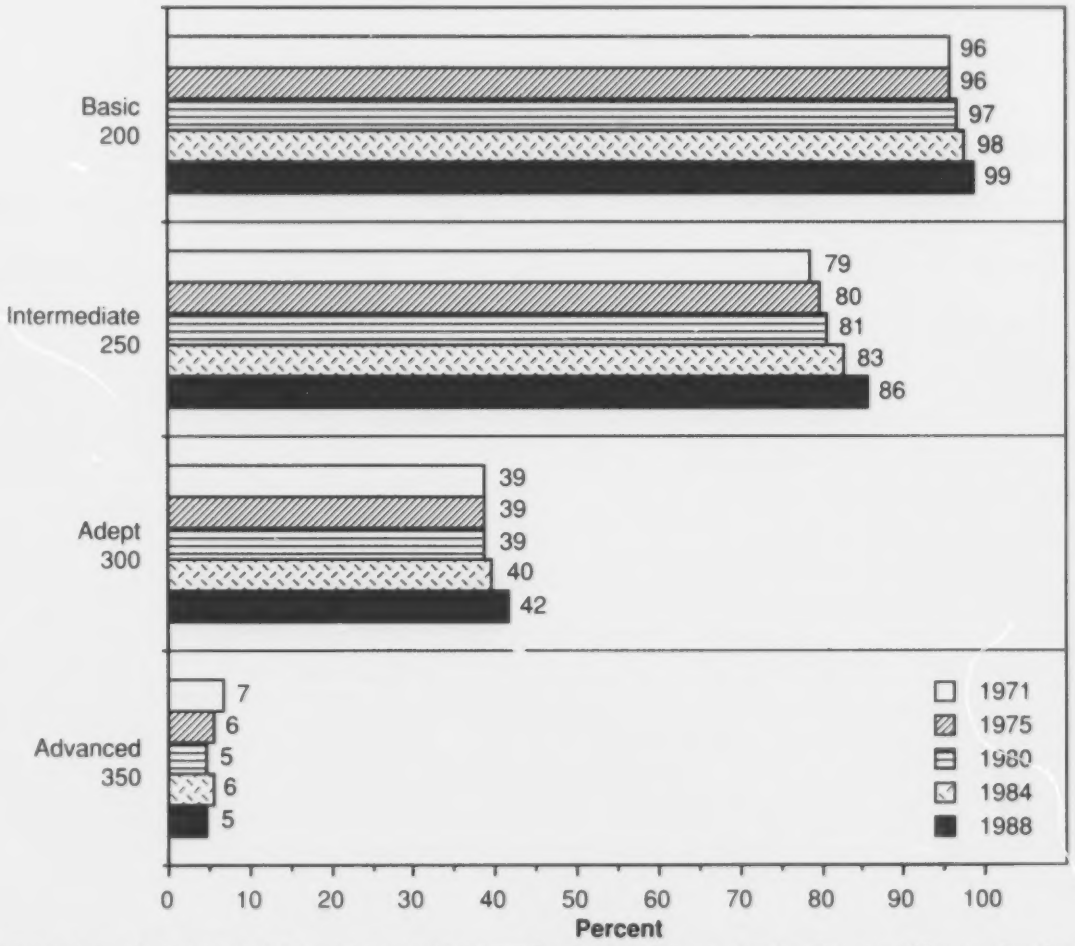
Chart 2 shows the same results for reading and writing. Only 5 percent of the youngsters graduating in 1988 were able to write a good letter or essay (Advanced—350 level).

The Bush administration says that the answer is to let public school kids go to private schools because private schools do a better job. But Charts 3 and 4 dispute that assumption. In Chart 3, which shows math proficiency, the private schools (90 percent parochial and 10 percent non-denominational) had a slight edge at the 250 (fifth grade) and 300 (seventh grade) levels. At the 350 (high school) level, public school youngsters were ahead. You cannot really consider this an edge because the dropout rate in public schools is higher than in private schools. The publics lose a higher percentage of low-scoring kids. If we equate for the dropout rate, private and public schools would be roughly equal.

Some public schools don't offer algebra, calculus, or trigonometry because they are vocational schools. So if we compare kids in public and private schools who have taken the same courses—Chart 4—it balances out. In some cases, the advantage is with the public schools, in some with the private schools.

Chart 2

Reading Proficiency: Percentages of 17-Year-Olds at Each Level

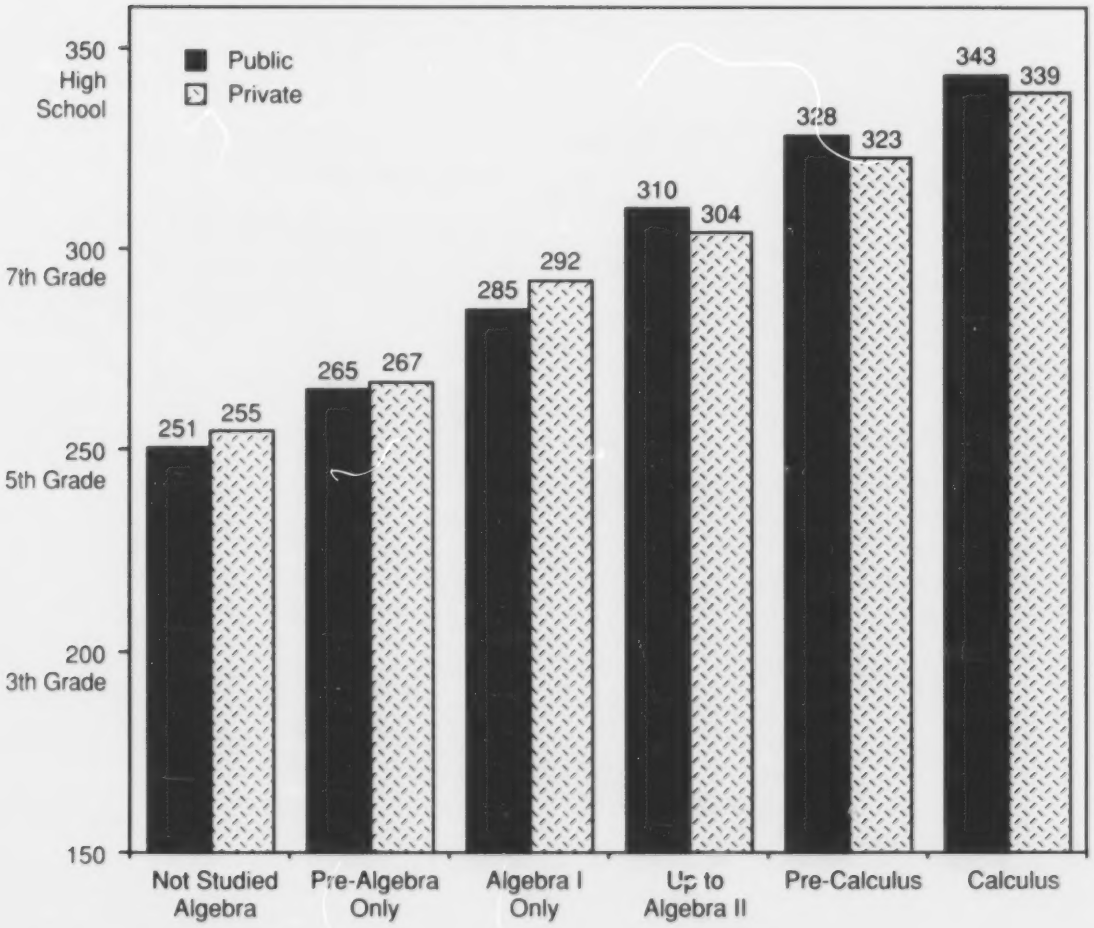


Source: The Reading Report Card, 1971-88, NAEP January 1990, United States Department of Education, American Federation of Teachers Graphics.

Chart 3

Average Overall Mathematics Proficiency

by Students taking Similar Courses: Grade 12

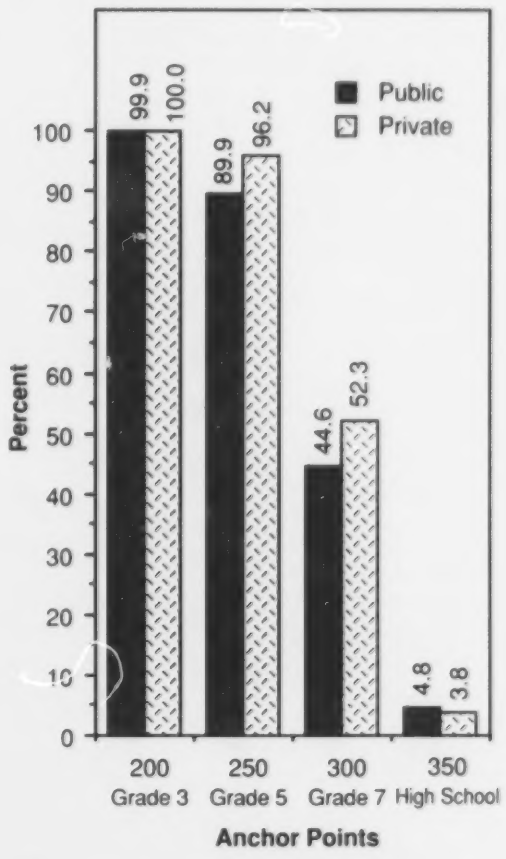


Source: NAEP 1990 National Math Assessment, Student Data, American Federation of Teachers Chart

Chart 4

Percent of Students At or Above Anchor Points

Grade Twelve National Respondents



Source: NAEP 1990 National Math Assessment, Grade 12: Student Data, American Federation of Teachers Chart

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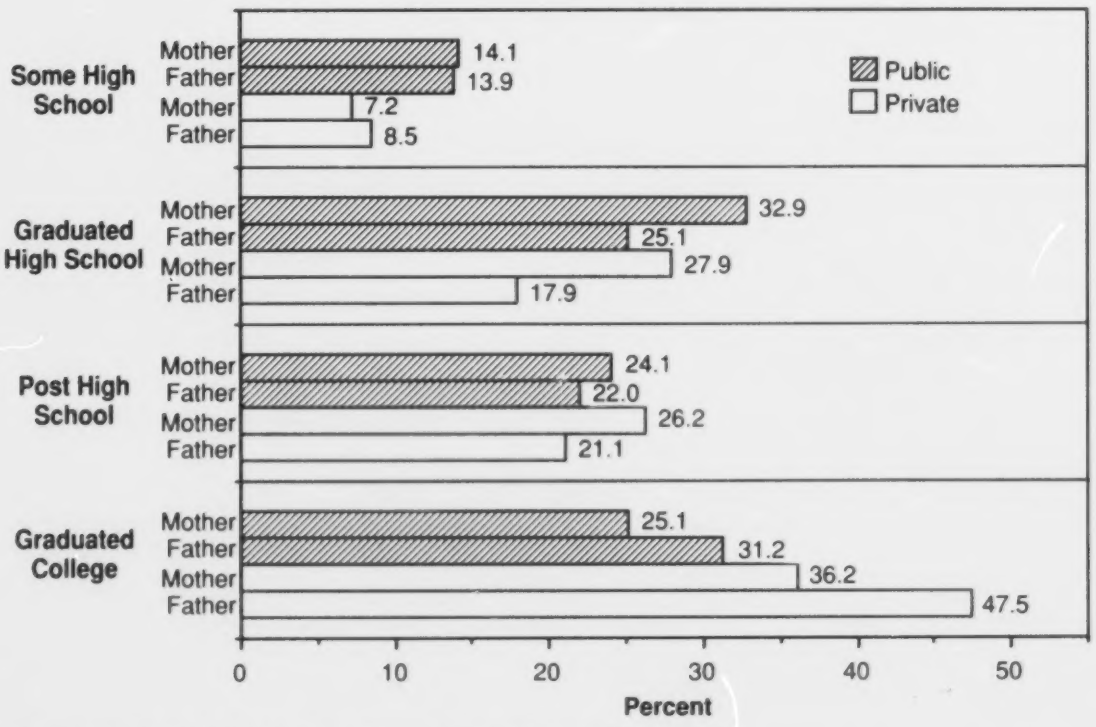
Chart 5

Education Level of Parents for Public and Private School Students, Grade 12



Source: National Assessment of Educational Progress, American Federation of Teachers Chart

Chart 5 examines the educational level of parents for public and private school youngsters. The previous chart showed that the results of the private and public schools were about the same. Maybe the kids came from the same kinds of families. Maybe private schools, especially parochial, take kids who are not from wealthy families or kids in urban areas.

At the bottom of Chart 5, the college graduate category shows the percentage of children with mothers or fathers who graduated from college. Some 47.5 percent of the kids in private school had fathers who graduated from college, whereas 31.2 percent of the public school kids had fathers who graduated from college. That's a substantial difference in the educational level of the parents.

At the top of Chart 5, the "Some High School" category refers to parents who dropped out of high school. Fourteen percent of the parents of public school kids were dropouts, whereas 7–8 percent of the parents of private school kids were dropouts. This correlates with income and other factors. It tells us that kids in private schools should be doing better because of home advantages.

Chart 6 compares public and private school kids' achievements in math based on their parents' education. It shows that when both mothers and fathers have graduated from college, there is no score difference between public and private school youngsters.

The reading proficiencies of black students, shown in Chart 7, illustrate the tremendous progress we have made over the last 20 years. At basic 200 (reading below that level amounts to being illiterate), almost 20 percent of black youngsters who were still in school in 1971 were illiterate. That figure is down to 3 percent today.

That is astounding because the dropout rate of blacks has dropped. Thus, even with a larger pool, only 3 percent of 17-year-old black students were illiterate. And while only 40 percent had reached the intermediate level in 1971, now 76 percent have—a huge jump. Moving to "adept" and "advanced" (beginning college-level texts), we find strong movement, but we still have a long way to go.

Return to Chart 2 for a moment to examine what happened with all students from 1971 to 1988. The chart shows a slight improvement in the literacy of 17-year-olds (95 percent to 97 percent), and some improvement at the intermediate level. There was no change in the "adept" category, and fewer people were "advanced." Fewer youngsters today than in 1971 are able to read something that is advanced.

What's the story? For white students in the U.S., there has been little progress in math, reading, and writing over 20 years. With respect to black students, there has been a substantial improvement—even more substantial because we are testing a larger number of students who have stayed in school.

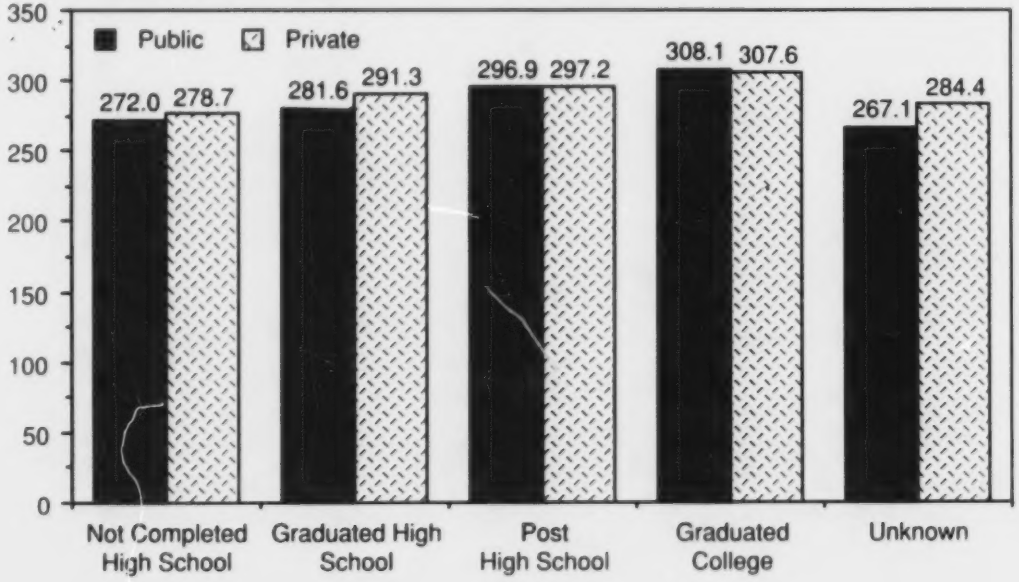
Comparisons with Other Countries

How do these figures compare to data from other countries? A National Endowment for the Humanities booklet of a few years ago presented test questions for youngsters about to enter college in the United States, France, Germany, Great Britain, Japan, and other countries.

Examining some of the questions alone can be instructive. For example, French students were asked, "List all U.S. presidents from Truman to the present, dates of their presidencies, and the name of

Chart 6

Composite Proficiency Means, Grade Twelve National Assessment Respondents, by Parents' Education Level

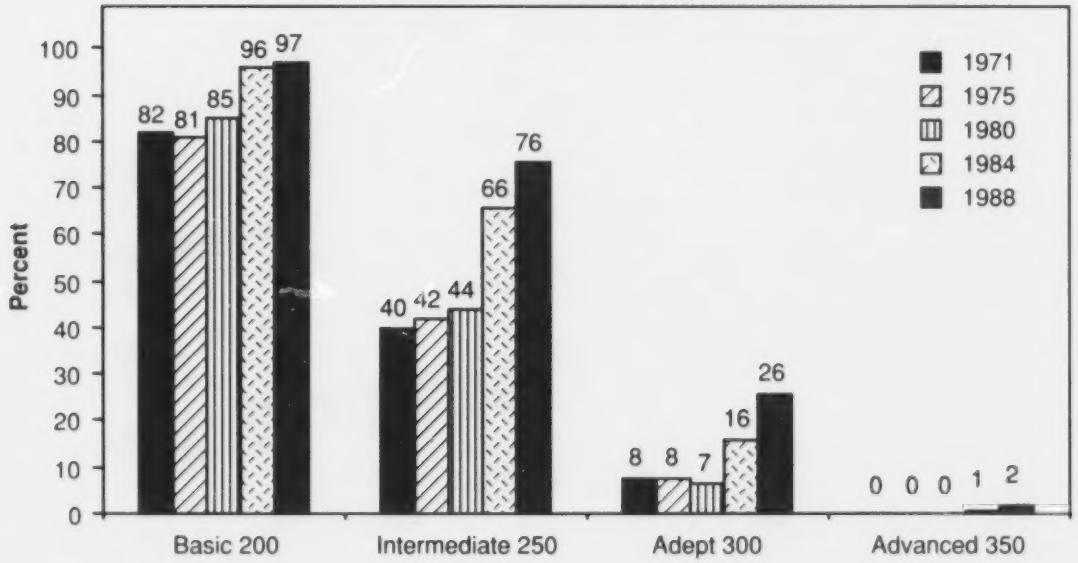


Source: NAEP 1990 National Math Assessment, Grade 12: Student Data

Chart 7

Reading Proficiency Among Black Students

Perecentages of 17-Year-Olds at Each Level



Source: The Reading Report Card, 1971-88, NAEP January 1990, United States Department of Education

their political party." French students have four hours to answer these questions and to write an essay on major changes in U.S. domestic and foreign policy during the administrations of these presidents.

German students are asked: "From Stalin to the present, list the heads of the Soviet Union with the dates of their tenure in office." They are also asked the same kind of question as the French—"List the major changes in domestic and foreign policy during their administrations." The French test also gives the students four hours to answer the question: "What have you gained when you have lost your illusions?"

For the math exams, we know that in these same countries, every student headed to college or to university would be in the 350 group, where 3–5 percent of the U.S. students are placed.

What percent passed these exams? In Germany, 30 percent of the entire cohort passed the exam. That is a top group of 30 percent compared with a top group of 3 percent of U.S. students. For the British, 16 percent passed the General Certificate, two-day educational exams.

We have the standard comeback. We toss the problem kids out, or we just focus on the elite. That's simply not true in Germany, where there are programs for kids in the middle and work-study apprenticeship programs for kids at the low end academically. In fact, kids at the bottom academically in Germany do about as well as our average kids do.

In Britain and Australia, it is true that the kids who don't make it are looking for jobs for a long time—constituting something of a lost generation—but that's not generally true of most industrial countries.

Seeking Answers to Our Education Problems

One answer lies in the title of this session—dealing with incentives. What makes kids learn? Kids learn by working hard at learning. They listen, read, write, and do their homework. They ask for help if they don't understand something; they go to their parents, to libraries, to their teachers. It's work that creates learning.

The fact that kids in other countries are learning more than our kids means they work a lot more at learning. They also have TV sets, single-parent families, and schools with kids from many cultures. In the United States, 26 percent of our school kids were born out of wedlock; in the United Kingdom, the figure is the same. The trends are everywhere.

Why do people work at anything? First, they may be intrinsically interested in the work. If they love a sport or a hobby, they go and do it. But most people who work hard do it because it helps them achieve something they want—having money, keeping a job, paying bills.

Basically, kids work in school because it offers a piece of paper that will give them what they want at the other end. The piece of paper gives one of two things:

1. *A College Education.* The paper provides entry to a college. The reason kids work so hard in Germany and in other countries is not because they have an intrinsic love of learning. They know no university will accept them unless they read at a certain level. That's an incentive. One hypothesis we have to entertain about the low rates of educational attainment in the United States is the question of whether a system of almost completely open enrollment can produce the incentives to learn on the part of students. Is it possible to provide incentives without reducing the rates of participation? Obviously, we can raise obstacles that would keep some kids out. But the point is not to keep kids out. The point is to get them to work harder to go to college and get a college education rather than to have them get their high school education in college through remedial classes.

2. *Help in the Work Place.* The high school certificate can help students in the work place. In the United States, 95 percent of our employers do not look at a high school transcript. McDonald's does not say, "Bring a note from your teacher saying you can work at night." Most of our larger and better companies don't hire 18-year-olds anyway. They say, why hire 18-year-olds with no work record?

The net effect is that all students, whether they did well or poorly in school, get lousy jobs when they leave school at 18. That's a lesson we're teaching our kids. The kid who goofed off in high school and the kid who turned off the TV and studied both get the same lousy jobs when they graduate. At age 24, the kid who worked hard is much more likely to be discovered by a good company. But at age 24, no one will say they're hiring the worker because he or she was a good student in school. They'll call it luck. There is no visible connection among hard work, success in school, college entry (unless you are going to an elite college), and a good job. So the question of incentives is extremely important.

"The fact that kids in other countries are learning more than our kids means they work a lot more at learning."

HIGHER EDUCATION AND EDUCATION POLICY: A RESPONSE

Hoke Smith
President, Towson State University

"The best single question I've ever been asked about education came from a Peace Corps official 20–25 years ago. He asked: 'If you were the minister of education for a developing country and had just enough money to provide people with three years of public education, what years would you pick?'"

The best single question I've ever been asked about education came from a Peace Corps official 20–25 years ago. He asked: "If you were the minister of education for a developing country and had just enough money to provide people with three years of public education, what years would you pick?"

That's an intriguing question. Even more intriguing are these questions: If people are in school for only three years, what are they learning? Who are they learning from when they are not in school? What's the relationship between the formal learning system and the informal learning system? How do they articulate, particularly in a changing society? In a stable society, traditional learning does take place out of school. But how do you use that limited window to bring about social change?

I'm going to give you a ten-second exercise. What is the most important priority for change in American higher education? What is the one thing that would make our schools more productive? I thought Al Shanker was just getting to the exciting answer: students who really *want* to learn.

We can reorganize all we want, reform the curriculum all we want, and change almost anything structurally—public or private, union or non-union. But what can make a student want to learn?

Consider my Peace Corps question. On city streets, where there is a lot of free enterprise (mostly in drugs), how do the dealers learn their entrepreneurial skills? They don't learn them in school. Where do they learn the mathematics involved? Where do they learn about capital investment? Where do they learn the principles of law? There are a lot of sophisticated people in society, and they are learning something from somebody.

One of the issues educators and labor leaders must explore is what types of policies and programs we need to establish to take advantage of the informal, out-of-school learning systems from which so many of our students seem to want to learn?

Rethinking Educational Strategies

We give mixed messages about our attitudes toward the intellect and learning in America. Part of our dilemma is getting our sixth graders to learn in school when they are at the same time trying to be cool, learning to conform to the local street dress code, and backing off and disengaging from in-school learning. They are still learning someplace. How can we relate that learning to our school system and capitalize on it?

I just moved. In the process of packing, I came across my father's high school books from his rural Illinois school. I found a volume of Shakespeare in the original version, which is essentially college-level reading. Where would you find such a text on our school reading lists today? By public policy, we have "dumbed down" our teaching and learning.

Another question I ponder is what gives information economic value? We're participating in a labor-higher education conference. We're living in an information age. But the question is difficult to answer. One response is "controlled information"—

like the ticker tape at the stock exchange, which people need and read. Or consider the computer that offers information on the functioning of the computer.

How do we place value on learning in our society? What can we do to provide examples for those interested in knowledge and wisdom? As we move around in our economic, political science, or history disciplines and classrooms, we are in the business of selling a scholarly service. Our students are also our clients; we advise them on how to use our services. They are also our customers; we bribe them to use our services. But in higher education, we are selling something of economic value, even though it may not be perceived that way. We are offering our students content and perspective—the ability to analyze data, to handle knowledge.

One of our major challenges is to turn on the light bulb. Students have to want to learn. We can talk about incentives, as Al Shanker just did, but we also need national leadership to say that formal learning is important, that it relates to the learning students find in life, and that it has use in their lives.

The question of the excitement of learning is also one of who controls the enterprise. I have been fascinated and appalled by the pronouncements and mandates issued by a federal government that sets lofty goals but does not provide funds to make them attainable.

Also of concern is who sets standards and shapes our conception of information and knowledge? I'd much rather have it be the teacher or the administrator who selected my father's books than the school officials who select our current books.

In Maryland, we have faced substantial budget cuts, even though our governor is a strong education advocate. I told our faculty that we should be more proactive in confronting our financial situation. Thus, I recommended we go to a four–four (four courses for four credit hours instead of five courses for three credit hours each) semester system and use the extra hours for teaching critical thinking, writing, and application. In proposing this change, we have to come to grips with the policy issue of evaluating 32 courses instead of 40 courses.

People outside the academy seem to be more critical of our graduates for what they can and cannot do in their skill areas than for the breadth of their education. But if we don't have the resources to do it all, what do you concentrate on? I'm proposing we trade breadth for depth, go deeper with fewer resources. As a nation, we have to answer the same question: Is our objective breadth or depth in our education system? How are we going to use our limited resources most productively? How do we communicate to our young people the value of education, learning, and a way of thinking that will stay with them for a lifetime?

Hoke Smith

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3. THE RETRAINING DILEMMA: ECONOMIC HOPE AFTER THE JOB ENDS

INTRODUCTION: THE UAW EXPERIENCE WITH RETRAINING

Owen Bieber
President, UAW

(Delivered by Terry Lint, Director of Education Programs, UAW)

In recent years, much national attention has been focused on training and retraining efforts. The UAW has invested a great deal of time and effort in providing retraining opportunities for our members. Our Education Department and our Health and Safety Department have designed some excellent programs for our leadership. Trade unions nationwide ask us for assistance with their educational programs.

Many people have heard of our conference center at Black Lake in Northern Michigan. The center offers continuing education opportunities for our leaders and our members. We occasionally invite leaders from foreign trade unions to join us at these Black Lake sessions.

Over the last decade, our members' needs for education and retraining have expanded rapidly. So one of our major goals at the bargaining table was to obtain a commitment from employers to support the members' education and training needs. The result has been broad educational undertakings, including help with dislocated and displaced workers.

Most of you are probably aware of the Comprehensive Joint Training Program we negotiated with General Motors. The program is the world's largest privately funded educational undertaking. We have similar programs with Ford and Chrysler.

Terry Lint

Workers take college-level courses at the work place, and these programs are extremely popular with our members. And increasingly, our members' spouses are eligible for our training and education programs.

Let me mention briefly the UAW programs at Ford, GM, and Chrysler. Some 20¢ per hour goes to our training programs. Some money stays at the local level, some goes to the national level. The money covers a variety of training and educational needs—for job skills, job relocation skills, high school completion, literacy, English as a second language, day care programs, attainment of college degrees, and personal improvement skills. For example, the Ford Training Center has a program in which members learn basic carpentry, electricity, plumbing, small engine repair, and VCR repair. We even offer courses in taxidermy!

If 10 to 12 members sign up, the class is offered. Most are conducted at the work place. Chrysler, which leads the field in telecommunications, can beam its training programs by satellite right out of its training center on Jefferson Avenue to training sites across the country. Workers visit the local sites and learn from the master instructors in Detroit. At these training sites, we don't need ten participants—anyone can learn. They have become extremely popular with the members.

We've established partnerships with colleges and universities and with community colleges to enhance worker skills and knowledge at the high school level.

If there is one idea we communicate to our members, it is that it is never too late to learn. Hopefully, if workers take classes at any level that appeals to them, they will prove to themselves—even at 40 or 50 years of age—that they can still learn. This can then carry over to other classes, to other learning experiences. The results are magnificent. Many of our members have completed their high school education or are completing it. Many are getting college degrees. Some leave the work place, some stay. They're all better for it.

As you can imagine, we are proud of these accomplishments. But as extensive as these programs are, do they really solve the problem of worker training? Have we gone too far in privatizing worker training and retraining initiatives? Given the magnitude of the training/retraining issue, should the

unions and the companies take so much of the responsibility for it? What are some alternatives?

One option would be to make comprehensive government-sponsored training and retraining available to all workers. President Bush recently announced his plans for a new worker retraining initiative. Unfortunately, there was little that was new in the plan and there was no money. The training budget would not even begin to help the nation's millions of workers who need training.

Beyond that, is it profitable for a man or woman to train for a bad job, a low-paying job with no future, or a job that isn't really there at all? Does it really matter who is doing the training if the nation itself does not have an economic strategy and a comprehensive industrial policy that ensures that jobs will be available when the training is completed?

Two creative people with us today have given a great deal of thought to these critical issues.

David Gordon

RETRAINING: OUR MEANS FOR ECONOMIC SURVIVAL

David Gordon
Professor of Economics, New School for Social Research

This meeting represents a unique opportunity for me to combine some of the principles and ideas that guide my life and work. I'm a labor economist. I have not spent a lot of time studying retraining programs specifically, but I have spent a lot of the time talking about economic and labor problems in the United States working to bridge the gap between the labor movement and higher education.

Some Premises

I'd like to review some premises about retraining that I think we can all agree on:

1. We need more retraining in our country.
2. We can't talk about retraining unless we talk about the jobs for which we are retraining. We need more than more jobs, we need more *good* jobs.
3. It is clear that the pendulum has swung too far toward shifting responsibility for retraining to the private sector—indeed, even toward unions themselves. We have to think much more about involving the public sector. In that respect, I welcome Governor Clinton's ideas for dramatic expansion of college education and retraining.

Rethinking Retraining

Even those who would take an ambitious position with respect to retraining have been trapped in a framework of too little, too late. The retraining metaphor and the way we talk about it don't address some of the most important problems we need to confront.

I'd like to contrast the way we traditionally think of retraining by offering up something I call the "Reconversion Education Act of the 1990s"—a means of supporting college education for a much wider group and a much more diverse set of workers than we usually talk about. In many ways, this goes back to the late 1940s and the "GI Bill," one of the most forward-thinking, impressive pieces of legislation our country has ever seen.

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"We need to revive education for democracy, for citizenship, and to promote the quality of people's lives. We never reach that level when we talk about retraining purely in the skills sense."

First, let me offer the following premises:

1. *Economic Restructuring Will Continue.* Our economy has been undergoing an enormous amount of restructuring, but there's more to come. The economic restructuring we experienced in the 1980s will be amplified during the 1990s. The global economy is changing. We don't know what impact the North American Free Trade Agreement (NAFTA) will have. The pace of technological change has accelerated. The role of the U.S. economy in the global economy is continually being redefined. Many industries are heavy supporters of the U.S. economy, such as the defense industry, which many of us would like to see restricted. So the first premise is that even if we see the need for retraining now because of economic restructuring, the problems will simply grow larger.

2. *Training People To Think.* The U.S. economy desperately needs both public and private intervention to improve the productivity of our plants, our workers, and our infrastructure. As Robert Reich has argued in *The Work of Nations*, one of the most important dimensions in the effort to improve productivity has to be the dramatic expansion of our capacity to produce trained "symbolic analysts"—the people who work with information.

People need general, broadly based skills to be able to work in the economy of the next 20-30 years. So my second premise is that we need an expanded public-private effort to train and retrain people in the general capacities to think, solve problems, be critical, and be reflective.

3. *Providing Economic Capacity for Reconversion*. Many of our policy objectives are caught in a "blackmail trap" because of the poor labor market adjustments and retraining programs we provide to currently employed workers. President Bush enjoys being able to go to Texas and Missouri and making promises to sell fighter planes. That won't solve our problems.

For those who would like to reduce defense spending or protect the environment by doing something about chemical pollution and toxic waste, the initiatives to move in those directions have been blunted to some degree by the clear concern for the jobs of people working in the defense industries.

Reconversion basically means helping industries and workers move out of areas in which we would like to spend less money into areas such as child care, health care, transportation, the environment, and other areas in which we would like to spend more money.

We need to think about ways to provide the capacity for reconversion, earlier not later. Just imagine the hue and cry about health insurance industry employees if we ever were to move toward a "single-payer" health care system. What would happen to their jobs? Should we avoid moving to national health care because of a couple million insurance workers? This problem will grow more and more severe as economic restructuring and economic policy require a real retraining effort.

4. *Shifting from Work to Leisure.* We have to consider shifting our priorities away from increasing work to increasing leisure. Juliet Schor of Harvard wrote a book, *The Overworked American*, which has gotten some attention. Since the late 1960s, in comparison to their European counterparts in particular, Americans are working longer and longer hours. Schor found an erosion of vacations, an

increase in overtime, and a dramatic increase in moonlighting. Our households and our families are working 10–20 percent more than we used to in the 1960s. One reason is reduced earnings; people are trying to make ends meet. With stagnant wages, they'll work more.

5. *Retraining Beyond Skill Acquisition.* In discussions of retraining, we've moved too far toward thinking of retraining in purely instrumental terms—something we do to provide people with skills they need to earn a living. We need to revive education for democracy, for citizenship, and to promote the quality of people's lives. We never reach that level when we talk about retraining purely in the skills sense.

Anticipating Needs for Retraining

Why rethink retraining? Why isn't the traditional way we think about retraining good enough for some of the problems we have touched on? First, retraining efforts are rarely made until an industry is collapsing. By that time, people have already experienced a lot of the stress that job adjustment and unemployment bring.

We need to think about how to anticipate and plan for economic adjustments, to build our education and training policies into a much broader economic plan and industrial policy—as Ira Magaziner discussed earlier.

Even economists cannot foresee the future. It becomes even more difficult with the restructuring that has been going on in the United States. So we need to think about retraining from a much broader perspective. We need to think about training and education for workers as general education—education that will help them think, analyze, and solve problems. The skills training will come. As the economy improves, employers will provide the training needed for their work forces. That was our experience in the 1960s, and that will be our experience in the transitions of the future.

Terry Lint, David Gordon, and Sheila Kaplan, Chancellor, University of Wisconsin—Parkside

Those in higher education shouldn't just be thinking about providing workers with specific training. There are too many younger workers in their early and mid-20s who hold the key to future increases in America's productivity. And with skills, experiences, and maturity, they can provide exactly what we need. We must find ways to make it possible for the kind of people who took advantage of the GI Bill to have the same opportunities today.

We tend to think about getting such workers into a retraining or trade adjustment assistance program to learn some computer programming. We need much more than that. We need to make it possible for people in traditional industries that are in decline to go to college and become "generalists" and stronger citizens. The notion of a "Reconversion Education Act for the 1990s" follows along these lines.

The Reconversion Education Act of the 1990s

The Reconversion Education Act is based on two precedents. The GI Bill enabled 2.2 million veterans to attend college immediately after World War II and up to the 1950s. They received tuition

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and were paid a stipend. Anyone who has looked at that experience assesses it as one of the most successful pieces of legislation we have known.

There is a second precedent. OCAW has proposed a "Superfund for Workers." Workers in captive industries (e.g., industries involved in production of toxics or nuclear arms) would be given a stipend and tuition to go to college. OCAW proposes that the "Superfund" not just be for professionals. OCAW's proposal grew out of the environmental concern that we won't be able to reduce toxic wastes and advance environmental interests if workers in those polluting industries continue to be fearful about their jobs. The proposal is now on OCAW's legislative calendar.

What would the Reconversion Act look like? Imagine that the act targets industries with two characteristics:

1. Industries already targeted for Trade Adjustment Act assistance (i.e., industries facing sharp dislocations because of international competition or a shift in demand).

2. Industries that we would like to see decline in importance in the United States (e.g., those that produce arms or toxic waste).

We could offer workers in these declining industries with some minimum years of experience a stipend, perhaps an income level to support a family of four for up to four years of undergraduate education and up to two years of additional graduate education. Pay their tuition, with a cap, and make loans available if there's a gap. In particular, we should target those in defense industries who have degrees and who can get more college or post-graduate education to retool themselves.

Problems with the Reconversion Act

What are some problems associated with the act?

Costs: We can play with costs by downgrading the number of industries targeted at any one time. We could exercise some discretion over how ambitious a program we want. One of the lessons we learned from the GI Bill is that we should never underestimate the number of people who would go to college if they had the chance.

I estimate that we could support 2 million college students a year beyond those now attending. Since we would be encouraging only those with a minimum level of work experience, the act would to some degree be targeted to older workers.

If we planned for stipends of $20,000–25,000 per year, perhaps with a child allowance, and average tuition of $7,500 to a cap of $10,000, we might be talking about a program costing $65–70 billion per year. Compare that to what our government now spends on the military and on interest payments. We would get a lot out of that $70 billion.

Worker Abilities: Higher education people might legitimately ask whether workers out of school for 10 to 15 years could hack it. Two of the most dramatic features of the GI Bill were the participants' dedication to study and their ability to handle college-level work. At Wisconsin, they were called "DARs" or "damned average raisers" because they worked so hard and studied so much more effectively than the non-veterans on campus.

People studied the GI Bill. They did experiments. They compared backgrounds and test scores. They never could explain it, but there was something about the maturity, experience, commitment, and having been out there and done something else that appears to have made a big difference. I think we can safely assume that the people who have been working in America's industries—blue collar, white collar—would be just as good at college as the people going in now.

Age: Would we want to limit the provisions to people from whose later work experience we can expect to recoup our investment? I am sure this is one issue that will come up. If someone has been working in an industry for 25 years and wants to go back to college, why not? Expand the individual's work life another 10 to 15 years and we would recoup the investment in terms of increased productivity, increased income and consumption, and increased taxes.

College and University Capacities: Could colleges and universities handle an additional 2 million students? The experience of the GI Bill is instructive. Universities were bigger in the late 1930s than in the late 1940s, as people went off to war instead of to college. There was an under-utilized capacity. Isn't that again the case? Universities were built up in the 1960s and 1970s, but with our current demographics, don't we have some under-utilized capacity today?

Even if colleges and universities were operating at peak capacity, couldn't some of the funds Governor Clinton is proposing for the rebuilding of our infrastructure go to support and improve higher education's academic plant? There is plenty of room for absorption. Most higher education administrators would love to face that problem.

Sheila Kaplan

KENOSHA'S CHRYSLER PLANT: A CASE STUDY IN HIGHER EDUCATION RETRAINING

Sheila Kaplan
Chancellor, University of Wisconsin–Parkside

My university is in Kenosha, which has been a home to automobile manufacturing for a long time. In the 1970s, the AMC plant in Kenosha employed 16,000 workers. In 1986, AMC employed 7,000 workers, though it was still the largest employer in town. In 1987, AMC was in trouble. Nobody was buying Gremlins, and the company was bought out by Chrysler. Chrysler promised to keep the plant open and invested tens of millions of dollars in improvements. During the presidential election year of 1988, our billboards even touted Lee Iacocca for president.

In 1988, Iacocca announced that the car plant would close, eliminating 5,000 jobs, although the engine plant, with 1,500 jobs, would stay. The Lee Iacocca for President signs never reappeared.

At universities, we are told to operate like businesses, to think and behave like business people. If I had invested tens of millions of dollars in one year in a university that was about to close, the trustees would have had every right to remove me from my position.

The upshot in Kenosha was that our community lost 5,000 high-paying union jobs, with implications for our entire economic base. The community response was rapid and unified. It brought together UAW officials, with local officers and international, government, social service agency, business, and higher education leaders. The latter included both our university and Gateway Technical College, our two-year vocational-technical center.

We set up a "one-stop shopping" office. A dislocated worker could come to one place and take advantage of all the services and supports these organizations provide. Out of 5,000 people laid off, about 1,500 took early retirement. Some moved out of town, and some transfered to Chrysler union jobs in other places. But we still had about 1,000 workers who needed some kind of retraining.

The workers weren't in bad shape financially. Their severance pay continued under the union contract, and health benefits lasted for two to three years under the contract. They were prime candidates for continuing education, as they did have some financial stability.

So we thought this would be a perfect opportunity for higher education to show our commitment to our community. The university and Gateway Technical College took the lead in working with these people.

The Retraining Programs and the Obstacles

One thing that troubled us from the start and that provides a graphic example of what we have been talking about in this meeting was the level of illiteracy among the workers. Of the more than 2,000 people requesting retraining, over 50 percent were functionally illiterate, with reading levels at the sixth-grade level. They were in great need of basic skills work. The local vocational-technical center and other service agencies just couldn't handle the problem.

"One fundamental problem we faced from the beginning is how to help a worker make the transition from being employed to being a student. How can we guarantee work at the end of training?"

We also found a reluctance on the part of a significant number of the laid-off workers to enter into a vocational-technical program to learn a new skill. There was even more reluctance on their part to enter a university program. They told us that one reason was that spending one to two years at Gateway to learn a new skill seemed too long. They also asked if we could guarantee them a job utilizing that skill when they finished. With some exceptions, for example those in the health professions, we could probably guarantee a job. But no one in town could absolutely guarantee a job after training.

The university program was even more prohibitive. It took four years and workers might not even have a usable skill or a job at the end. What does one do with a degree in history or English? We had no good answers.

In spite of the obstacles, some workers did take advantage of both the four-year university program and the two-year technical program. One hundred blue- and white-collar workers came to our university. They used the lay-off period to go to school full time to complete degrees they had been working on for years.

But a larger number of workers than we would have liked did not take advantage of the opportunities to go back to school. They found low-paying, semi-skilled work in the area, often with no benefits. One of our faculty members conducted a longitudinal study, and it was remarkable to see what kind of jobs the workers accepted.

What We Learned

There are some lessons here. One is that it isn't all that easy to just offer training and retraining programs. I don't want to suggest that we blame the victim, but it is important to note the number of people who did not take advantage of the opportunity for retraining. Why didn't they? I think my answer would be because it's not easy. It's hard to go back to school, admit you're functionally illiterate, and try to learn the math you should have learned in secondary school. And it's not easy to go on and learn the kind of skills people need for high-paying jobs.

Maybe it's a motivational problem. As Al Shanker pointed out, if people can envision a high-wage job at the end of the training, they may do better in school.

One fundamental problem we faced from the beginning is how to help a worker make the transition from being employed to being a student. How can we guarantee work at the end of training? Given our experience in Kenosha, I would question what it takes to motivate laid-off workers. Even with the best will, higher education may not be the answer.

4. Work And The Quality Of Our Lives

James B. Appleberry

INTRODUCTION: ARE WE READY FOR THE WORK FORCE/WORK PLACE CHANGES AHEAD?

James B. Appleberry
President, American Association of State Colleges and Universities (AASCU)

Our concepts of work, what it is, and its meaning for our lives are changing all over the world. Our future in the United States lies in the information age. We know that knowledge will be the key to future economic and political power. The places where we do our work are changing, and most future jobs will require some kind of advanced training or education. We're told that every person will have from three to seven jobs in their lifetimes, and that 50 percent of the jobs that now exist won't exist ten years from now.

Let me reflect on some ideas I picked up while traveling outside the country over the past few months. Sometimes it's important to see how others see us.

While I was in Chile, three conclusions emerged from a meeting of education leaders, university rectors, businessmen from all over South America, and religious leaders:

- Country borders will come to mean little. Multinational corporations will have more to do with individual lives than the nations in which they reside. The multinationals can move wealth and jobs from one part of the world to another.
- It is the educational capacity of a nation that will determine its relative standing in the future, regardless of its current standing.
- The nations that do emerge and the winners in this worldwide competition will be those countries that use their educational, political, and economic entities in planning for a better life for their citizens.

Surprisingly, conference participants did not think they could look to the United States for leadership and models. They think of us as continuing to serve our short-term interests until the next election.

We also talked about the future of knowledge, admitting that knowledge may be doubling every 73 days by the year 2020. We don't know whether that will be true, but if it is, our current educational structures cannot possibly be expected to provide our citizens with the knowledge and education they will need.

In a recent speech to faculty members, I told them that their major task is to examine their particular discipline and to modulize. We are going to have to teach individuals how to access information and use content differently. We simply won't be able to keep up with the information.

"Our future in the United States lies in the information age. We know that knowledge will be the key to future economic and political power."

The linear education system that currently predominates in the United States will not prepare our citizens for a random-access environment. We have to structure our system so individuals can randomly access information, skills, and abilities throughout their lifetimes no matter where they are.

We may be facing a world in which people will be cycled through a module where we identify in advance what skill or ability we want the individual to learn. If they achieve and are successful, it will be recorded. If not, they will go through another cycle (or module) until they learn. Degrees will be less important than certification of the ability and information that an individual possesses. And the information will be available worldwide, not just in the United States.

In Santo Domingo, where I recently gave a speech, several individuals said that the United States cannot and will not compete for low-skill, large-quantity, repetitive manufacturing products and jobs ever again. Instead, the U.S. edge will be in customizing what we deliver for the world's consumption. If that is true, it is a clue to what all of us in labor and higher education need to plan for in the future.

Along with these changes, and with uncertainty about our economic, political, and social future, our attitudes about work are changing as well. Our jobs are linear in character; tomorrow they may be random access. Do we expect our employees to be committed to random access as well? What will it mean when we talk about "a job well done?" Or how will we even know if it's done well? Does someone owe us a job? What is the responsibility of government to provide work?

Even if we move to a borderless economic world, can a government in a given country or nation do anything to assure us a job? Is it still possible for an individual to control his or her own work future? Or is Horatio Alger dead in a world-wide, competitive environment? That's our challenge.

David Warsh

HONG KONG AND SINGAPORE: HOW MUCH ECONOMIC PLANNING IN THIS NEW WORLD OF WORK?

David Warsh
Syndicated Columnist, Boston Globe

I recently wrote a column to the effect that if Governor Clinton is elected, there will be an immediate tension between Clinton's old friends at Oxford, e.g., Robert Reich and Ira Magaziner, and those liberal economists like Alan Blinder at Princeton, all of whom will be part of government. Those closest to him could be compared to Reagan's early "supply siders." They are not discipline based or products of the same long discourse we find among many academic economists, yet they come to many of the same conclusions.

The difference is that Reagan had not been to Oxford with Arthur Lapper. If you don't know Alan Blinder, that's why I am here to discuss some of the things that may fall outside of what we conventionally define as economic policy. Blinder wrote *Liberal Economics for a Just Society*, subtitled, "Soft Heads, Hard Hats." He's been reaching to the middle of the road with a message that has been left out of the national debate ever since Jimmy Carter.

"Cycles" Versus "Realignment" Theory

There are two broad theories about what is going on in our politico-economic system. One is a "cycles" theory and the other is a "realignment" theory.

Cycles Theory. We read about cycles theory in high school; it describes the periodic pulls of liberal energy and conservative reaction that have flowed through American history in this century. According to this theory, a "Progressive Era" started in 1901 with the election of Teddy Roosevelt. It pursued a progressive agenda of building a trade union movement, of using government as a force for change, and of progressive taxation to effect income redistribution, among other policies.

It played out by the 1920s with the election of Warren Harding. We then got another profound impulse of liberal thinking with the New Deal. This 20-year cycle of extending the rights of man ran through 1948, when we faced another ten-year period of regrouping and pulling back.

The third pulse started in 1960 and continued even through the Nixon years. Nixon actually experimented with the negative income tax, wage-price controls, CETA, and other progressive policies. That played out by 1980, and the 1980s set in like the 1920s, with Republican rhetoric about laissez-faire and free markets. And we only have to wait for the conservative cycle to end to find another period of progressive liberal expansion.

Realignment Theory. The realignment story is essentially a Republican story. It says there are periodic big political and economic changes. One occurred in 1942 with the New Deal and the assemblage of the great coalition represented by the New Deal. That was a structural change so profound that it governed American politics up to the Nixon election in 1968. During this period, the only way a Republican like Eisenhower could get elected was to promise to continue the policies, but to do so less expensively.

Republicans say there has been a second great realignment. In 1976, it started rather tentatively, but it emerged with great force in 1980. It didn't involve the repudiation of the New Deal realignment, but it involved running New Deal programs more efficiently, stopping the growth of government, and restoring competition to market mechanisms.

Economic Policy in a World Context

A hot area in university economic departments is what is called "new growth economics." Economists at the University of Chicago, for example, are looking at the way the world works. The Chicagoans are as free market as you can get. They also believe strongly in economic reasoning. If Chicago is talking

"We only have to wait for the conservative cycle to end to find another period of progressive liberal expansion."

about "imperfect competition," it could be an endurable argument in economics.

One of the arguments you hear repeatedly in economic circles is the differential growth rates between Singapore and Hong Kong. Professor Alwyn Young of MIT wrote a "Tale of Two Cities," a paper comparing Hong Kong and Singapore. He was raised in Singapore.

The Hong Kong and Singapore Economic Models

Both Hong Kong and Singapore are island nations, both former British colonies, both assimilating British institutions, and both going independent in 1945. They are two of the fastest-growing nations in the world since 1970. However, once you get past these basic statistics, the countries couldn't be more different.

Singapore has a strong central government that is socially concerned and is run by one man. The government has insisted on widespread education, high savings rates, good pension plans, and strong central direction of the Singapore economy. Singapore has a modern infrastructure and a humane social welfare system, though it is a little short on freedom of speech.

Hong Kong is a sort of Reagan paradise and has been for a long time. Hong Kong has a lot of highly educated people and many intellectuals. Many fled China with enormous anger at the Chinese Communist Revolution. Hong Kong has been about as laissez-faire as it has been possible to be. Public works were undertaken in the 1960s only after people rioted in the streets demanding services. There is no central government direction of the economy, no pension system, very little emphasis on education (except at the highest university levels), and no attempt to achieve general literacy.

For 20 years, both nations have been growing fast. That's the good news. The bad news is that Singapore is slowing down. And the "new economic growth" people are interested in why that is happening. According to Young, Singapore has achieved its results by raising savings to 40 percent of GNP, twice the level of Hong Kong. Singapore has taken that savings and invested it equally in infrastructure and to keeping its industry at the forefront of technology. Singapore's last five-year plan called for a big concentration in bio-technology. It's done what a city or state should do.

On the other hand, Hong Kong appears likely to surpass Singapore in the next five years. Young suggests that Singapore is doing what the USSR did for 50 years, simply plowing capital into its economy at a fast rate. Hong Kong, on the other hand, has been doing what the United States has been doing—permitting the "hollowing out" of its economic system and shipping skills offshore—but it has maintained a higher growth rate than the United States.

Watch this debate. If Hong Kong outdistances Singapore, then it confirms my belief that it will take a major effort to rebuild the liberal economic consensus that ran our country for so long.

Jack Golodner

CHANGES IN THE WORK PLACE: OUR RESPONSE IS OUR FUTURE

Jack Golodner
President, Department for Professional Employees, AFL-CIO

Change is rarely revolutionary. Mostly, it is evolutionary and barely perceptible. Nevertheless, we who work with America's professional, technical, and highly skilled white-collar work force have perceived profound changes occurring at the work place in recent years, and these changes greatly affect the way these people are employed and the conditions under which they work. Unfortunately, much of the change we see cannot be considered an improvement. Happily, the changes are not inevitable. They result from choices being made. A better process for decision making, therefore, will result in better choices.

For example, last January, David Warsh wrote in one of his columns about Juliet Schor's recent book *The Overworked American*,

> "Ms. Schorr's study tells us much about how we, as a society, choose to exploit improvements in productivity and the wealth that results. She traces the march that led to eight hour day and 40 hour week legislation, its halt and the subsequent full scale retreat from efforts to increase time away from the job so that today many families require the income of more than one adult to keep afloat and the work week has crept up beyond 40 hours."

This need not have happened. The wealth deriving from the increases in productivity which we have experienced over recent years could have been employed to provide workers with more time to devote to family and self-enrichment, or to improve the real income of American workers, or to invest more in the education and training of our work force. Instead, a choice was made by those with the power to make and implement such choices to use this wealth to generate greater profits for entrepreneurs and higher compensation for managers. As a result, less of the fruits of increased productivity has been available to shorten working time (as Juliet Schorr has pointed out) or to increase real income (indeed, real income has fallen in the past decade), or to invest in education and training of the work force. Sadly, Thoreau's observation that "the mass of men lead lives of quiet desperation" is as true today as when he wrote it.

Increases in productivity, we are told, result from the employment of new technologies. The changes stemming from the introduction of new technology at the work place are also the result of choices made.

Technology can be used to displace workers, to provide them with more time for training or personal pursuits, or to enrich the content of their jobs, thereby making them more challenging and creative—as well as rewarding. Unfortunately, at too many work places, the choices are being made to de-skill the job, to remove human input as much as possible, and eventually to eliminate the job altogether.

Again, the choices made in bringing about change force the worker to take it on the chin. Instead of using technology to make the job more challenging, it is made more boring. Instead of the job making more time available for training, there is

"We must end the often destructive, divisive class warfare that aims to frustrate workers in their efforts to organize and select representative unions and to arrogate all decision making to owners and managers."

less time. Instead of making jobs more secure, workers, lacking proper training, are made obsolete and less secure. It doesn't have to be this way.

In the United States, bank clerks, who have the most dealings with the public, receive the least training and are given the most routine tasks to perform. The opportunity to make simple decisions and to access new data-processing equipment is denied them and is reserved for middle managers. Indeed, with the introduction of automatic teller machines and the like, the clerk's job is becoming even more routine, of less value, and poorly paid. By contrast, in Sweden, bank clerks are trained not only to meet and greet customers, but to use new electronic equipment that enables them to perform more, not fewer, services; their job is enriched, and made more interesting and challenging, and their value to the enterprise and the rewards are enhanced.

In German manufacturing plants, the ratio of supervisors to workers is far higher than in similar plants in the United States. Why? Because in Germany, more time is devoted to training the average worker and providing him with the know-how to make decisions without supervision. There is less need for the layers of middle management found in the United States. The worker is more knowledgeable, more useful, better paid and enjoys more benefits than his or her peers in the United States.

The introduction of new technologies brings about change at the work place. But choices can be made as to the kind of change that is to take place.

In Germany, Sweden, and other countries where unions and workers are given greater input into the decision-making process of the government and enterprises, change brought about in the economy or at the job site often has a different face than in the United States. Because the concerns of the worker are voiced along with those of the entrepreneur, the manager, and the politician, there is a different mix to the choices made, so the changes that take place have different consequences.

As in the United States, greater productivity is achieved by introducing new technologies. But that technology is used to enrich the job, to make it possible for the worker to do more, not less, in a shorter, not longer, time period. And to make this possibility a reality, the greater measure of the wealth realized from increased productivity is used to train workers to properly meet the challenge, and to reward them with increasing income and time for themselves and their families.

If we are to shape change so that it fairly benefits all, we need to recognize that workers have a concern that must be voiced. This is true at every level, from the halls of the legislature to the individual work place. And this can only be achieved through collective bargaining and union representation. Our major competitors in Western Europe have done this and are doing well. We must end the often destructive, divisive class warfare that aims to frustrate workers in their efforts to organize and select representative unions and to arrogate all decision making to owners and managers. This conflict is not constructive. It is not working. It cannot work. Unless it is ended and replaced by true cooperation and partnership as among equals, Thoreau's observation will remain as true in the present as it was in the past. And change in the workplace will continue to shortchange the American worker.

5. GOVERNMENT'S ROLE IN JOB CREATION

William Lucy

INTRODUCTION: INDIVIDUAL AND GOVERNMENT ACTION

William Lucy
International Secretary-Treasurer, American Federation of State, County and Municipal Employees (AFSCME)

The United States is the only industrial nation that has no national economic plan or industrial policy. To a certain point, past government laissez-faire policies have only added to our economic distress. Our failure to use government to ease the national distress over the past several decades has been deliberate and reflects deep philosophical differences in our society.

The first involves the role of government. On one side are those who believe that government's role should be confined to little more than national security and law enforcement. Ronald Reagan once said, "I always thought the best thing government can do is nothing." It's a nice catch line for a speech, but it leaves a lot to be desired as national policy. We need a good debate on the appropriate role of government in national life.

The second major division is the ongoing struggle between individualism and collective action. Like a second marriage, the conflict demonstrates the concept of hope over experience. For better or for worse, America is the most individualistic society in the world.

These philosophical differences are as old as our republic and as current as the 1992 presidential election campaigns. They won't be decided overnight, but we have serious problems in our country, and at least we should start talking about them.

"The United States is the only industrial nation that has no national economic plan or industrial policy."

Jeff Faux

GOVERNMENT AS A POSITIVE FORCE IN JOB CREATION

Jeff Faux
President, Economic Policy Institute

Activist Government and Laissez-Faire Ideology: A False Dichotomy?

If you look at U.S. history, especially over the last 12 years, you'll find that government has been more than just a spectator. The government has been responsible for jobs, job security, economic growth, and many other areas of economic life.

Ronald Reagan was a success because he ran what was basically a Keynesian policy during his tenure. In October 1987, the stock market crashed. The Federal Reserve Board leaders, under a conservative president, did not blink an eye. They simply called up New York, flooded the market with money and credit, and said to the banks, "Just make as many loans as you want because we don't want this stock market crash to spill over to a general recession." Despite their ideology, the conservatives had learned the lesson of the Great Depression.

The savings and loan disaster is another example of how economic reality has confounded conservative intentions. Deregulation of an industry—the "get-the-government-out-of-that-industry" approach—led directly to the U.S. government being the largest holder of commercial real estate in the country.

Consider the North American Free Trade Agreement (NAFTA). Whatever your views on the agreement (I'm opposed to it), the 2,000-page document dropped on Congress does not describe free trade. In every page of the document, the fine hand of one industrial interest or another appears.

So looking at the lessons of history, the question is not "Should government be involved?" Nor is it "Should government be responsible for jobs or economic growth?" Rather, it is "How and in what areas will government function best?" We live in a political culture where people talk simplistically about government and about laissez-faire economic policy. But the talk is disconnected from reality. U.S. economic history has been full of government support for industry and for many areas of the private sector.

One of my favorite stories is how in 1917 British Marconi made a bid for some of GE's subsidiaries which owned patents on long-range radio transmission, which was the leading technology of its day. The story has a parallel today in foreign attempts to buy U.S. firms that have ownership of and access to new technologies.

The U.S. government decided in 1919 that it would not allow Marconi to get its hands on these patents. So Assistant Secretary of the Navy Franklin D. Roosevelt was delegated to call on GE, AT&T, Westinghouse, and other companies to work out a strategy for preventing the British from getting control of this "high technology."

The consortium created a "patent pool corporation," later naming it the Radio Corporation of America (RCA), with the U.S. government taking a strong equity position in it. This new corporation was smothered with defense contracts, nurtured through its first few years of development, and then

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sent off on its own. RCA became a world-class technological corporation and was critical to our electronics capability in World War II.

Our history shows the fine hand of government in all sorts of enterprises. So the notion of an essential tension or dichotomy between competing forces in our economy—on the one hand those who want government intervention and on the other those who don't—obscures the reality. Government has long been accepted by all parties as playing an essential role in the U.S. economy.

Increased Government Activism in the Economy

I think there are three areas where we can expect more government intervention over the next decade:

1. The Need for Economic Stimulus

There seems to be a growing awareness on the part of economists, legislators, and analysts in the business community that we are going to need something else to stimulate this economy besides the Federal Reserve's efforts to lower interest rates and increase exports.

Let's go back two years. Those who said this recession would be short and shallow were relying on two things: (1) that interest rates would automatically come down and stimulate economic recovery; and (2) that we would have an export boom. For many reasons, neither occurred. So the other weapon in our arsenal to fight recession and slow growth—fiscal expansion—is slowly but surely coming back into favor.

In direct terms, this means expanding the deficit to create jobs while we have 10 million people out of work. We need at least enough of a stimulus to get the unemployment rate down a couple of percentage points. This is an idea whose time is coming.

This recession is different. There is a reason the predictions for the next five years show slow economic growth, even among the optimists who say we are in a recovery. We are talking about a situation in which we are still not going to have unemployment below 6 percent, even four years from now. Under these circumstances, conditions seem right for fiscal stimulus.

2. Creation of an Industrial Policy

The Bush administration is being pulled and pushed into some sort of government expansion into those areas aimed at productivity, innovation, and creativity—toward what George Bush disdainfully refers to as "industrial policy."

There are two versions of this industrial policy. The current version includes direct and indirect subsidies through tax cuts for business. The Bush administration has crossed the line on direct subsidies by accepting that the federal government will subsidize and promote new technologies in the private sector.

There is another version of this among progressive economists, however. It's a notion of competitiveness that is much more broadly based. It tries to

"So looking at history, the question is not 'Should government be involved,' or 'Should government be responsible for jobs or economic growth,' but 'How and in what areas will government function best?'"

"There seems to be a growing awareness on the part of economists, legislators, and analysts in the business community that we are going to need something else to stimulate this economy besides the Federal Reserve's efforts to lower interest rates and increase exports."

learn from the lessons of the last ten years. These lessons include such examples as GM's mistake when it bought massive amounts of machinery and hardware, expecting that, without changing the way it was doing business or what was going on at the work place, new capital equipment alone would enable the company to compete against Ford, Chrysler, and the Japanese.

The GM experiment failed. It failed because it did not address the human dimension—what goes on in the work place. The work place is slowly becoming the center of policy people's attention. The reorganization of the relationship between workers and managers goes to the heart of the issue.

Two things are going on. Part of the world is moving away from the old "Taylorist" hierarchical system. The other part of the world, including the majority of U.S. businesses, resists reorganizing the work place and is trying to solve its problems by cutting wages, encouraging NAFTA, and generally attempting to compete on the basis of low-cost, low-wage products and services.

There is a struggle between these two trends, and the federal government is going to tip the scales one way or the other.

3. Increased Government Involvement in Health Care

National health care policy is going to see increased federal involvement, whether it's a more conservative version put forth by the administration or some combination of "play-or-pay" that enters into the back door of national health care. But it is clear that leaving the health care system to the marketplace hasn't worked and will not work in the future.

The Coming Debate

There is a distinct possibility that over the next few years, we will engage the question of "social engineering." We have had a 12-year hiatus in the discussion about what this country should look like in the future.

If you look back to the 1970s, there were some interesting things going on. Some called it "long-range planning," others called it "leadership discussions," especially around the time of the bicentennial. Practically every town in every state had a commission holding open hearings to address the question, "What kind of a city do we want in the year 2000?" This spilled over to a national discussion of what kind of country we want ten years from now. It's a central public policy question that clearly involves the government as the repository of our collective will.

I think that with some luck, the 12-year hiatus may be ending, and we may go back to the national conversation that we so desperately need.

Alf Karlsson

THE SWEDISH GOVERNMENT'S PRO-ACTIVE STANCE IN JOB CREATION

Alf Karlsson
Counsellor for Administration, Embassy of Sweden

Job Creation Over Job Security

In Sweden, when it comes to job training and job security and the government's role in both, the primary emphasis has been on job creation, much less on job security. There is a philosophy behind this. The government has been afraid of putting too much emphasis on job security, because that would mean putting people in non-productive jobs that match their abilities. Over time, the economy benefits more from the job-creation policy than from straightforward job security.

The job creation policy carries with it a government obligation and responsibility for preparing the work force for changing jobs. Training and retraining workers is the basis of this policy. We believe employee retraining, once or twice during a career, is quite normal. Nobody should stay in a job without periodic retraining and upgrading. Society and jobs change too much.

Retraining should prepare people for changes. It doesn't create jobs as such, but it enables companies that come up with new ideas and new processes to find people who are trained in the new procedures and able to be productive.

Government Stimulus of the Economy

Sweden wrestles with the problem of creating a general business atmosphere and a financial system where venture capital should always be available to develop technological ideas and start up production of new products. This is especially important when the risk is too high for an ordinary bank to step in and finance a project. The government can minimize this risk by helping to test new products and innovations in manufacturing.

Development of these new processes has taken place primarily in small-scale and middle-sized companies. We have new incentives for these firms, and we have made it easier for these firms to deal with government bureaucracy.

"We're not just talking about the skills it takes to run a machine or keep the books, but also general education. The higher the level of general education, the easier it is for all workers to take part in the retraining programs. They have increased flexibility."

We borrowed this idea from Germany, which has been successful in increasing the number of jobs in small- and middle-scale companies. Several studies in Sweden show that new job opportunities come mainly from these small- and middle-sized companies, not from our big companies.

Growth in jobs in such firms as Volvo and SKF comes mainly from mergers with other companies. Few new jobs are created in these large firms, so the smaller companies are leading the way.

Training and Retraining: A Government Responsibility

Since World War II, we have made substantial investments in technical education, both at the secondary school level and at the university level. We have been trying to stay one step ahead of the rest of Europe when it comes to training our work force. We're not just talking about the skills it takes to run a machine or keep the books, but also general education. The higher the level of general education, the easier it is for all workers to take part in the retraining programs. They have increased flexibility.

Also, since World War II, the government has placed great emphasis on research, especially technological research at the university. The major companies also have their own research departments. I think it's fair to say that Sweden has been relatively successful in its research efforts.

But why do we put such stress on education and research? This is a difficult question. One possible answer is that during 39 of the years, since World War II, our prime ministers have been former ministers of education. And in our Ministry of Education, research and education are combined. The prime ministers have served long terms, they have had strong personalities, and they have maintained a keen interest in both education and research. Two of them took responsibility for research away from the Ministry of Education and put it in the prime minister's office. Whatever the reason behind it, government involvement in the education and training of the work force and in prodding research has paid enormous dividends.

APPENDICES

A. THE LABOR/HIGHER EDUCATION COUNCIL

The Labor/Higher Education Council brings together trade union leaders and college and university presidents and chancellors along with the CEOs of higher education associations to discuss issues of mutual concern. Leaders in the American Council on Education (ACE) and the AFL-CIO agreed in 1983 to found the Council as an institutional membership organization to further understanding and joint activities between these two major segments of American society.

The Council is unique in creating a national forum for union and higher education leadership to meet in formal and informal exchanges. The Council holds a National Meeting every fall and publishes the proceedings. It also develops and disseminates joint statements on labor-higher education issues. Recent examples include a statement on the role of collective bargaining in American life and a statement on labor participation in higher education governance.

In 1990, the Council initiated a series of state-level pilot dialogues to promote cooperation between labor and higher education. It also surveyed the state labor federations to document exemplary programs demonstrating labor-higher education collaboration.

Above all, the Council will continue the invaluable dialogue initiated when the Council was founded in 1983.

Roundtable discussion group

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"The Council is unique in creating a national forum for union and higher education leadership to meet in formal and informal exchanges."

Council Objectives

The Council's objectives are

1. To advance mutual understanding between the American labor movement and American higher education by serving as a forum for ideas and contacts and through exchanges at periodic meetings.

2 To affirm common positions of the American labor movement and American higher education on national problems and matters of mutual interest, and—when appropriate—to engage in coordinated activity in their support.

3. To facilitate understanding on the nation's college and university campuses of the character of work in America and the American labor movement; similarly, to facilitate understanding within the labor movement of the purpose and practice of colleges and universities in American society.

4. To determine ways colleges and universities can improve their educational programs to meet the needs of the labor movement, and ways the labor movement can be supportive of the goals of higher education.

The National Meetings

The Council has held seven National Meetings, attracting between 50 and 75 union and higher education leaders at the annual fall gatherings. The meetings include a blend of outstanding speakers and panelists with opportunities for intensive interactions and small group discussion. Informal dialogue is encouraged. Periodically, the Council issues joint statements on important issues of mutual concern, such as its 1990 statement on labor in higher education governance, which was sent to the nation's campuses and labor organizations.

The State Dialogues

The Council, based on a directive from its 1989 National Meeting, served as a catalyst for a series of state dialogues between labor leaders and higher education officials. These dialogues took place in Rhode Island, Tennessee, and Minnesota. The success of these pilot dialogues led the Council to expand the state dialogues.

Principles Guiding the Council's Activities

- A well-educated, well-trained, and fully employed work force is essential to America's economic, social, and political well-being.

- Our goal is an educated and trained work force to close the gap between worker-education levels and skills and the emerging work-force needs of the 1990s.

- Increased investment in education and training at all levels, including research, is the principal means whereby America in the long run can increase productivity, keep pace with technological change, improve workers' quality of life, enhance civic competency, and enable America to be strong and internationally competitive.

- Workers should maximize their educational potential through formal and informal education and training programs, and barriers to increased education opportunities for workers and their families should be removed.

- Minority recruitment, access, enrollment, and retention should be a critical element of any strategy to increase worker participation in higher education.

- Greater priority should be given by organized labor, higher education, management, and government to worker skill upgrading and retraining, with collectively bargained and employer-sponsored education benefit plans providing replicable models for effective worker education and training.

- Inadequate funding is a major barrier to worker participation in higher education, and Congress should establish adequate budget ceilings for education programs in the budget resolution process which enable workers and their families to meet college costs.

- Labor and higher education have a community leadership role in the eradication of problems associated with functional illiteracy in the work place.

- Local and state-level labor/higher education partnerships and joint programs can be effective in fulfilling the Council's objectives and principles.

- Labor-campus relationships can be strengthened by creating and communicating exemplary union/higher education collaboration in teaching, research, and community service.

- Worker-learners and their families need high-quality educational services, and the multiple suppliers of educational services should assure such quality through accreditation, licensure, and other means.

- Governmental policies should facilitate the return of workers to education and training, which may require changes in policies that discourage worker participation in education and training (e.g., child care, parental leave, funding programs, no taxation of educational benefits, and no penalties for unemployed persons returning to education).

"Labor-campus relationships can be strengthened by creating and communicating exemplary union/higher education collaboration in teaching, research, and community service."

B. STATEMENT: LABOR IN HIGHER EDUCATION GOVERNANCE

The Labor/Higher Education Council adopted the following statement on university-college governance at its annual meeting, November 29, 1990 in Boston, Massachusetts.

While the Council appreciates that a board of trustees in an academic institution should not reflect prescribed representation of groups, given the responsibility of its members to serve the best interests of society and the institution as a whole, it urges nominating and appointing authorities to consider the leaders of organized labor for election or appointment to the boards of higher education.

The Council acknowledges unions as a partner in the social contracts that help to shape our society. The Council fervently believes that the leaders of organized labor bring considerable resources, talent, and knowledge deeply rooted in the community that can be immensely helpful to boards that seek to be well balanced in their composition and expertise.

These resources and attributes include representation of thousands of workers and their families interested in continuing their education, a strong sense of civic responsibility and knowledge and skills in all areas of concern to boards, including labor-management relations and negotiating skills, experience in building and construction, expertise in sound personnel policies and practices, strong constituent relations, knowledge of organizational and financial management, access to private sources of support, marketing and public relations skills, and many of the same skills reflected in the business and corporate sector of trustees.

The Council believes that governors and legislatures often miss opportunities to use talent and expertise in organized labor in their appointments to boards in the public sector of higher education. In the independent sector, nominating committees of self-perpetuating boards often do likewise.

The Council recognizes that more than one-third of all trustees and regents nationally are from the business and corporate sector of our society, even though institutional policies or state law appropriately avoid requiring such representation by quota or other prescribed "representation." Rather, so many dedicated corporate executives are trustees by virtue of the skills, talents, and access to private sources of grants and gifts that can be immensely helpful to a college or university board and its management.

At the same time, labor leaders share many of these same attributes, along with a deep concern and support for higher education, recognition of human dignity for workers, exemplary records of labor-management relations, encouragement of continuing education for their members, and joint labor-campus collaborative projects which can be helpful to boards and their institutions.

The Council urges, therefore, that greater consideration be given to the active recruitment of leaders in organized labor for trusteeships at the local, state, regional, and national levels.

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